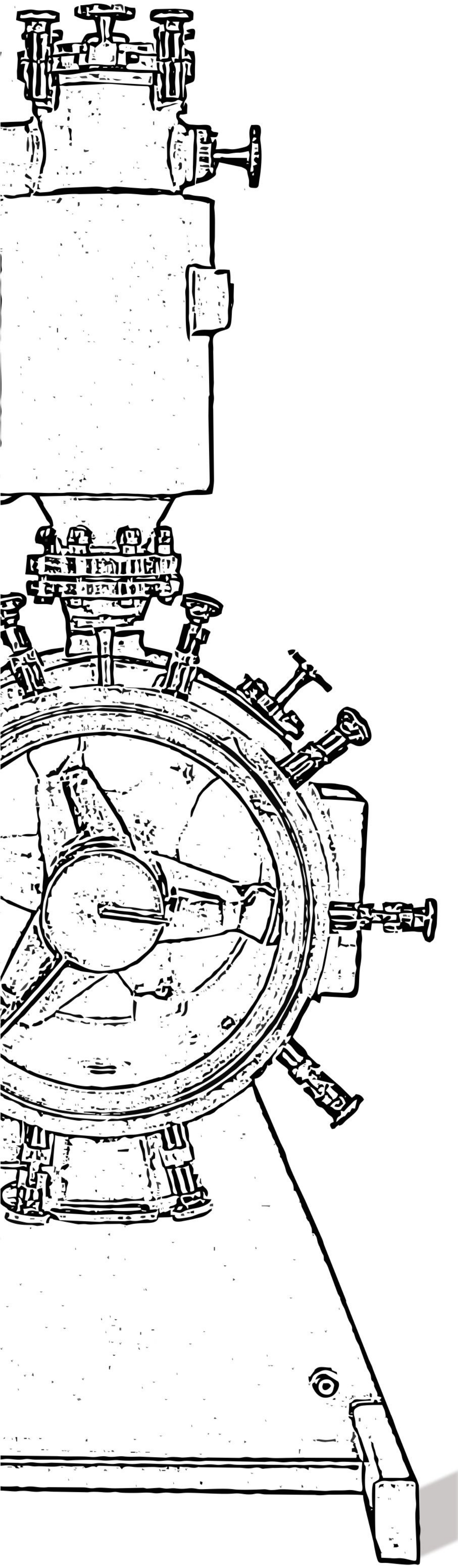


ANNUAL REPORT

2019 - 2020

HLE Glascoat Limited

(formerly Swiss Glascoat Equipments Ltd.)

www.hle-glascoat.com

Corporate Identity Number (CIN)

L26100GJ1991PLC016173

Board of Directors

Mr. Himanshu Patel	Chairperson and Managing Director
Mr. Aalap Patel	Executive Director (Technical)
Mr. Nilesh Patel	Non-Executive Director
Mr. Harsh Patel	Non-Executive Director
Ms. Vijayanti Punjabi	Independent Director
Mr. Yatish Parekh	Independent Director
Mr. Sandeep Randery	Independent Director
Mr. Jayesh Shah	Independent Director
Mr. Sudarshan Amin	Non-Executive Director (resigned w.e.f. 15th July, 2019)

Company Secretary & Compliance Officer

Ms. Dhwani Shah

Chief Financial Officer

Mr. Suryakant Dave (resigned w.e.f. 10th May, 2020)

Statutory Auditors

M/s. M. M. Nissim & Co., Chartered Accountants
Mumbai

Internal Auditor

(1) For Anand Works:
CNK & Associates LLP, Chartered Accountants
Vadodara

(2) For Maroli Works:
AKMK & Associates LLP, Chartered Accountants
Surat

Bankers / Lenders

State Bank of India
HDFC Bank Limited
RBL Bank Limited
Bajaj Finance Limited

Secretarial Auditor

D. G. Bhimani & Associates
Anand

Registered Office

H – 106, Phase – IV, G.I.D.C. Estate,
Vitthal Udyognagar – 388121.
Dist. Anand, Gujarat

Registrar & Share Transfer Agent

Link Intime India Pvt Limited

B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Nr. Radhakrishna Char Rasta,
Akota, Vadodara - 390 020

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of HLE GLASCOAT LIMITED (formerly SWISS GLASCOAT EQUIPMENTS LIMITED) will be held on Saturday, 19th day of September, 2020 at 10:30 a.m. through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2020, together with the Report of the Auditors thereon.
2. To declare final dividend of Rs. 2.50 per equity share of Rs. 10 each and to approve and confirm payment of interim dividend of Rs. 2.00 per equity share of Rs. 10 each declared by the Board on 11th February, 2020 for the financial year 2019-20.
3. To confirm dividend of Rs. 0.95 per preference shares of Rs. 10 each paid for the financial years 2018-19 and 2019-20 in accordance with the Scheme of Arrangement.
4. To appoint Director in place of Mr. Nilesh Patel (DIN 00141873), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Himanshu Patel as the Managing Director of the Company**

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

   "RESOLVED THAT-

   (i) pursuant to provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI Circular dated 9th May, 2018 and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to such other approvals as may be necessary, the Members of the Company hereby approve the re-appointment of Mr. Himanshu Patel (DIN 00202312) ("Appointee") as the Managing Director of the Company, liable to retire by rotation, for a period of three years with effect from 31st December, 2019 upon the terms and conditions as set out in the draft Agreement submitted and approved by the Nomination and Remuneration Committee and confirmed by the Board of Directors, including remuneration details as specified hereunder:

   "REMUNERATION AND BENEFITS:

   The Appointee shall be entitled to receive remuneration and benefits, as stipulated in the applicable provisions of the Companies Act, 2013, read with Schedule V thereto and the Rules made thereunder and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, mentioned herein below:

   (a) SALARY:

   The Appointee shall be entitled to an annual salary, including allowances, of Rs. 75,00,000/- (Rupees Seventy Five Lakhs only).

   (b) ***PERQUISITES:***

   In addition to the above, the Appointee shall be entitled to the following perquisites during the period of his appointment as the Managing Director of the Company:

   (i) Reimbursement of telephone expenses.
   (ii) Reimbursement of all medical expenses of the Appointee and his family.
   (iii) Company's car for official as well as for personal use.
   (iv) Leave travel concession for self and family, for touring within and outside India, once in a year or one-month salary, whichever is higher.
   (v) Entitlement for Bonus as per the Company's Rules.
   (vi) Gratuity as per the Company's Rules.
   (vii) Provident Fund as per Company's Rules.

   Family" for the aforesaid purpose means spouse, dependent children and dependant parents of the Appointee.

   (c) COMMISSION:

   The Appointee shall also be eligible for commission on profits @ 1 % for each year and which shall be in addition to salary and perquisites and shall be payable on conclusion and finalization of the Company's Accounts.

For the aforesaid purpose, profits shall be computed in the manner set out in Sections 197 and 198 of the Companies Act, 2013.

(d) ***ANNUAL INCREMENT***

The aforementioned remuneration shall be increased annually @ 10% or as may be decided by the Nomination & Remuneration Committee, subject to approval of the Board.

(e) ***REMUNERATION IN CASE OF NO PROFITS OR INADEQUACY OF PROFITS:***

In event of no profit or inadequate profits in any financial year during the currency of his tenure as the Managing Director, the remuneration-salary and perquisites shall be subject to the overall maximum limits as prescribed under Clause (A) of section II of part II of Schedule V of the Companies Act, 2013.

For the purpose of computation of aforesaid remuneration, Gratuity as per the Company's Rules shall not be included.

(f) ***SITTING FEES:***

The Appointee shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof during the currency of his tenure as the Managing Director.

The total remuneration of the Appointee shall be within the limits specified in Sections 196 to 198 and Schedule V of the Companies Act, 2013";

(ii) pursuant to the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do hereby accords its approval to the payment of remuneration in excess of 5% of the Net Profit in aggregate to all its Executive Directors, who are promoters or members of promoter group, during tenure of the said agreement, provided the remuneration payable to each of the Executive Directors shall not exceed the individual permissible limits under the applicable provisions of the Companies Act, 2013;

(iii) the Board of Directors of the Company is hereby severally authorized to take all such steps as may be necessary for obtaining approvals (statutory, contractual or otherwise) in relation to the above, and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this Resolution.**"**

6. **Re-appointment of Mr. Aalap Patel as the Whole-time Director [designated as Executive Director (Technical)] of the Company**

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

"RESOLVED THAT-

(i) pursuant to provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI Circular dated 9th May, 2018 and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to such other approvals as may be necessary, the Members of the Company hereby approve re-appointment of Mr. Aalap Patel (DIN 06858672) ("Appointee") as the Whole-time Director [designated as Executive Director (Technical)] of the Company, liable to retire by rotation, for a period of three years with effect from 31st December, 2019 upon the terms and conditions as set out in the draft Agreement submitted and approved by the Nomination and Remuneration Committee and confirmed by the Board of Directors, including remuneration details as specified here under:

"REMUNERATION AND BENEFITS:

The Appointee shall be entitled to receive remuneration and benefits, as stipulated in the applicable provisions of the Companies Act, 2013, read with Schedule V thereto and the Rules made thereunder and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, mentioned herein below:

(a) ***SALARY:***

The Appointee shall be entitled to an annual salary, including allowances, of Rs. 55,00,000 /-(Rupees Fifty Five Lakhs only).

(b) ***PERQUISITES:***

In addition to the above, the Appointee shall be entitled to the following perquisites during the period of his appointment as the Executive Director (Technical) of the Company:

(i) Reimbursement of telephone expenses.

(ii) Reimbursement of all medical expenses of the Appointee and his family.

(iii) Company's car for official as well as for personal use.

(iv) Leave travel concession for self and family, for touring within and outside India, once in a year or one-month salary, whichever is higher.

(v) Entitlement for Bonus as per the Company's Rules.

(vi) Gratuity as per the Company's Rules.

(vii) Provident Fund as per Company's Rules.

Family" for the aforesaid purpose means spouse, dependant children and dependant parents of the Appointee.

(c) *ANNUAL INCREMENT*

The aforementioned remuneration shall be increased annually @ 10% or as may be decided by the Nomination & Remuneration Committee, subject to approval of the Board.

(d) REMUNERATION IN CASE OF NO PROFITS OR INADEQUACY OF PROFITS:

In event of no profit or inadequate profits in any financial year during the currency of his tenure as the Executive Director (Technical), the remuneration- salary and perquisites shall be subject to the overall maximum limits as prescribed under Clause (A) of section II of part II of Schedule V of the Companies Act, 2013.

For the purpose of computation of aforesaid remuneration, Gratuity as per the Company's Rules shall not be included.

(e) SITTING FEES:

The Appointee shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof during the currency of his tenure as the Executive Director (Technical).

The total remuneration of the Appointee shall be within the limits specified in Sections 196 to 198 and Schedule V of the Companies Act, 2013.";

(ii) pursuant to the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do hereby accords its approval to the payment of remuneration in excess of 5% of the Net Profit in aggregate to all its Executive Directors, who are promoters or members of promoter group, during tenure of the said agreement, provided the remuneration payable to each of the Executive Directors shall not exceed the individual permissible limits under the applicable provisions of the Companies Act, 2013;

(iii) the Board of Directors of the Company is hereby severally authorized to take all such steps as may be necessary for obtaining approvals (statutory, contractual or otherwise) in relation to the above, and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this Resolution.**"**

7. **Ratification/ Approval of remuneration payable to Cost Auditors for financial year 2020-21**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration as recommended by the Audit Committee, and approved by the Board of Directors and set out in the Explanatory Statement annexed to the Notice, to be paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, is hereby ratified and approved.**"**

8 **Acceptance of Deposits from Members under Section 73 of the Companies Act, 2013**

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

"RESOLVED THAT-

(i) pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the provisions of the Companies (Acceptance of Deposits) Rules, 2014, and other applicable provisions, if any, and subject to such conditions and approval and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to invite/ accept/ renew / receive money by way of unsecured/ secured, or in any other form, deposits from the Members of the Company, through circular, advertisement or any other permissible mode, up to the permissible limits prescribed under the applicable provisions of law and on the terms and conditions as the Board of Directors may in its sole discretion deem fit and necessary;

(ii) for the purpose of giving effect to this Resolution, Mr. Himanshu Patel, Chairperson and Managing Director and/ or Mr. Aalap Patel, Executive Director (Technical) are hereby severally authorized to do all such acts, deeds, matters and things as may necessary, proper, expedient or incidental for giving effect to this Resolution.**"**

By the Order of the Board of

HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Ms. Dhwani Shah
Company Secretary

Date: 20h June, 2020

NOTES:

(A) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 8 of the accompanying notice is annexed hereto.

(B) <u>Instructions for Participation through VC</u>

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, permitted the holding of Annual General Meeting through Video Conference (VC) or Other Audio Visual Means (OAVM) without the physical presence of Members at a common venue. In compliance with these Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/ OAVM. Hence, the Members can attend and participate in the ensuing AGM through VC/ OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc) intending their authorised representatives to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting are requested to send scanned certified true copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer by email through their registered email address to dgbhimani@yahoo.co.in with copies marked to the Company at share@glascoat.com and sachin.dalwadi@glascoat.com and to its RTA at vadodara@linkintime.co.in.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 19th September, 2020. Members seeking to inspect such documents can send an email to share@glascoat.com and sachin.dalwadi@glascoat.com.
5. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company atleast TEN days before the AGM on so as to enable the Management to keep the information ready at the Meeting, mentioning their name demat account number/ folio number, email id, mobile number through email at share@glascoat.com and sachin.dalwadi@glascoat.com. The same will be replied by the Company suitably.
6. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12th May, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website: www.hle-glascoat.com in Investors Guide/ Financial Information/ Yearly Reports; website of BSE Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/ OAVM facility only.
7. Members attending the Meeting through VC/ OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The OAVM platform "InstaMeet" of the RTA of the Company - Link Intime India Private Limited has been chosen for conducting the 29th Annual General Meeting of the Company. Instructions for joining the Annual General Meeting and speaking and voting thereat are as follows:

➢ **Instructions for Shareholders/ Members to attend the Annual General Meeting through InstaMeet (VC/ OAVM):**

(i) Shareholders/ Members are entitled to attend the Annual General Meeting through VC/ OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/ OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

(ii) Shareholders/Members are requested to participate on first come first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/ Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the Meeting without restrictions of first-come-first serve basis.

(iii) Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

Step 1	Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in>>	
Step 2	Register with your following details:	
	Demat Account No. or Folio No	Members holding shares in:-
		CDSL :- 16 Digit Beneficiary ID
		NSDL :- 8 Character DP ID followed by 8 Digit Client ID
		PHYSICAL :- Folio Number registered with the Company
	PAN :- Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable. Mobile No. :- Enter your mobile number Email ID: - Enter your email id, as recorded with your DP / Company.	
Step 3	Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the Meeting).	

➢ **<u>Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:</u>**

(i) Shareholders/ Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at share@glascoat.com and sachin.dalwadi@glascoat.com from 1st September, 2020 (9:00 a.m. IST) to 15th September, 2020 (5:00 p.m. IST) (preferably four days prior to the date of AGM).

(ii) The first 10 Speakers on first come basis will only be allowed to express their views/ ask questions during the Meeting.

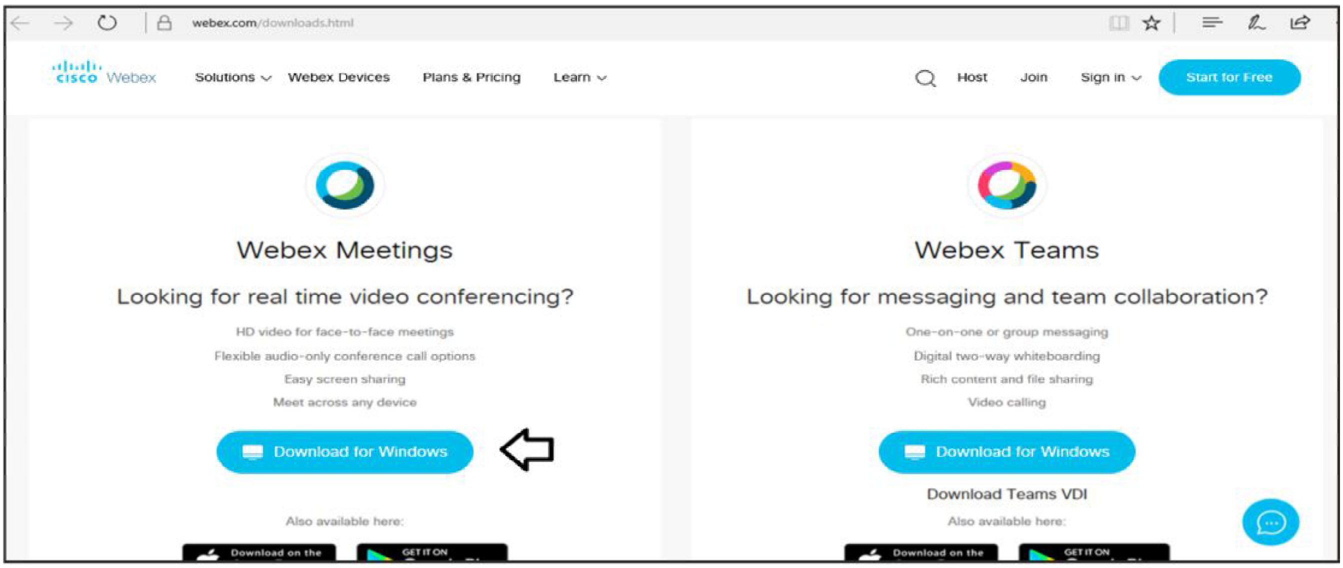
(iii) Those shareholders/ members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

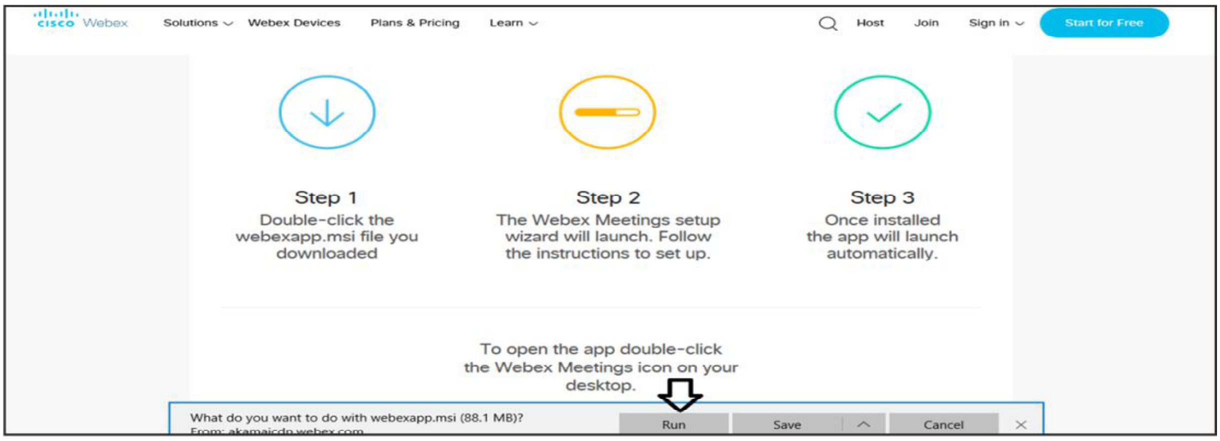
(iv) Relevance of questions and order of speakers at the Meeting shall be decided by the Chairperson.

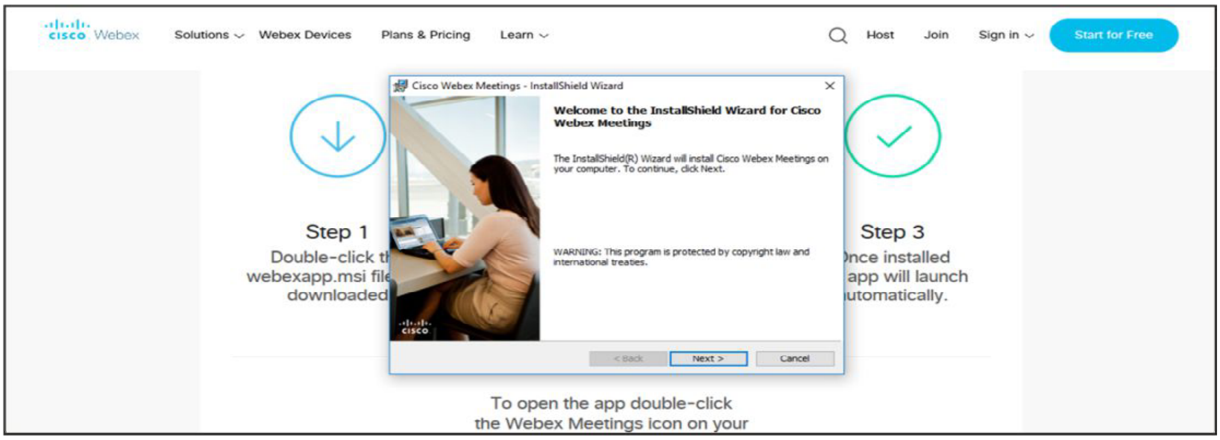
➢ **<u>For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, members are requested to download and install the Webex application in advance by following the instructions as under:</u>**

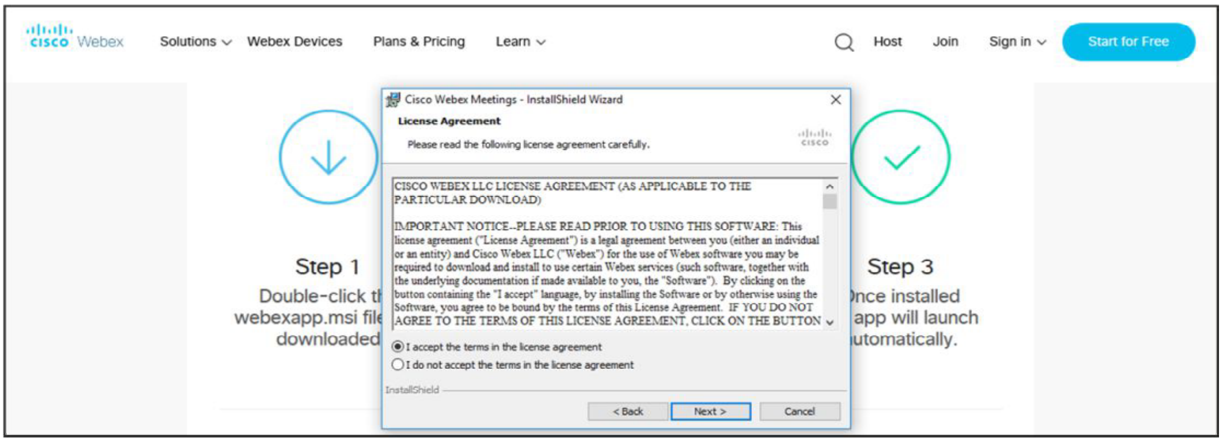
a) Please download and install the Webex application by clicking on the link
https://www.webex.com/downloads.html

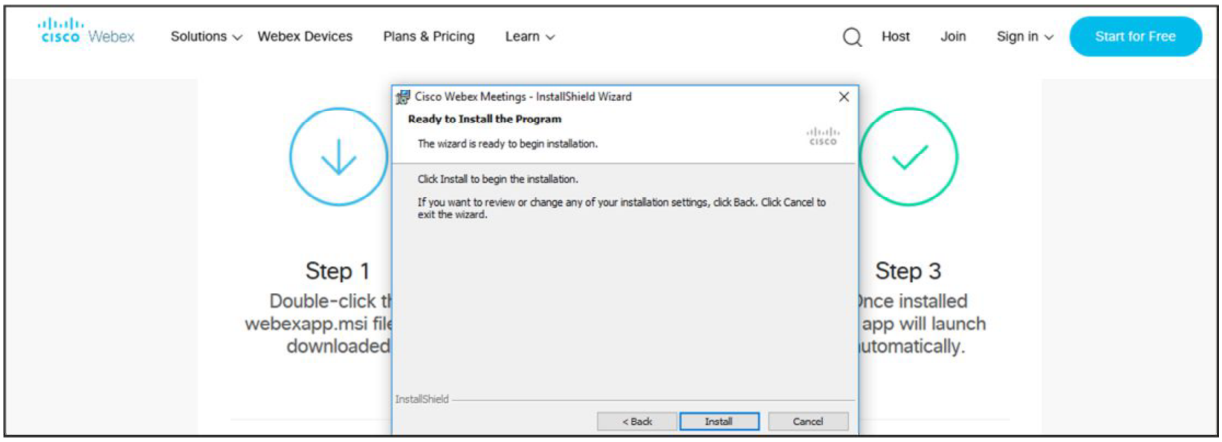
➢ **<u>General Guidelines for VC / OAVM participation:</u>**




cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Step 1
Double-click the webexapp.msi file you downloaded
Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.
Step 3
Once installed the app will launch automatically.
To open the app double-click the Webex Meetings icon on your desktop.
What do you want to do with webexapp.msi (88.1 MB)?
Run
Save
Cancel

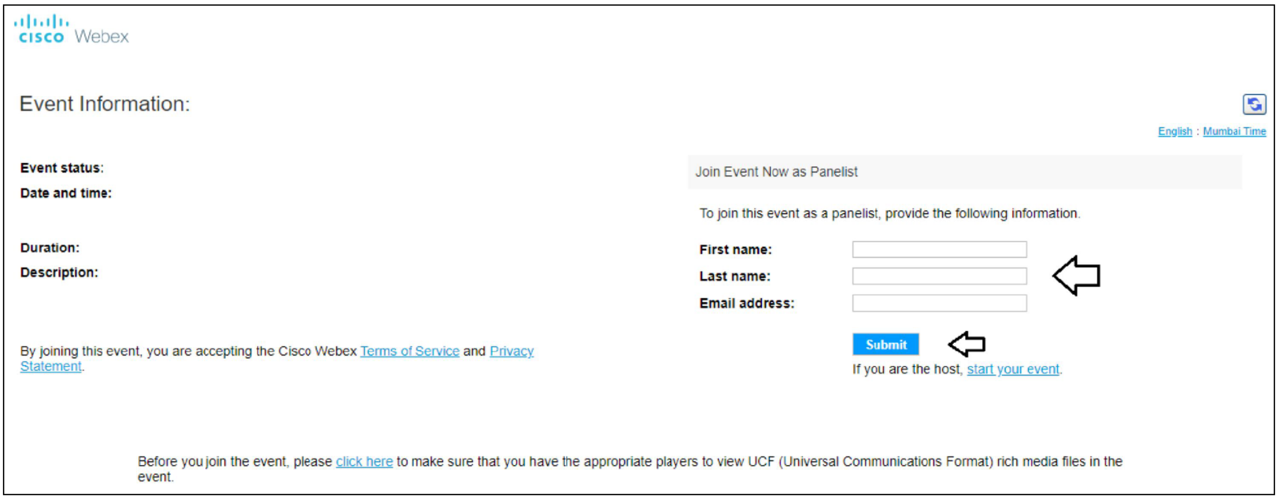

Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click the Webex Meetings icon on your


Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
I accept the terms in the license agreement
I do not accept the terms in the license agreement
InstallShield
< Back
Next >
Cancel


Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
< Back
Install
Cancel

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Event.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Event



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

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

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

(iv) Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

(v) Please refer the instructions mentioned above for the software requirements and kindly ensure to install the same on the device which would be used to attend the Meeting. Please read the instructions carefully and participate in the Meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction / InstaMeet website.

(vi) In case the shareholders/members have any queries or issues regarding joining the Annual General Meeting, kindly write an email to instameet@linkintime.co.in or Call at - Tel.: (022-49186175).

➢ **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the Scrutiniser during the Meeting, Shareholders/ Members who have not exercised their vote through the remote e-voting can cast the vote as under:

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

(ii) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on '**Submit**'.

(iii) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.

(iv) Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.

(v) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

(vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

- Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting.
- Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.
- In case the shareholders/ members have any queries or issues regarding voting at the Annual General Meeting, kindly write an email to instameet@linkintime.co.in or Call at Tel : (022-49186175)

(C) Remote E-Voting through electronic means

1. In accordance with Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended to date) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering Remote E-voting facility as an alternate, to all the Members of the Company, to cast their votes electronically on all resolutions set forth in the Notice herein.
2. For this purpose, the Link Intime (India) Pvt. Ltd**.** (LIIPL) shall provide facility for Remote E-voting to enable the Members to cast their votes electronically. **Remote E-voting is optional**.
3. The Members who have cast their votes electronically prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
4. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Member(s) on the cut-off date. Votes once cast shall not be allowed to change subsequently.
5. The instructions and other information relating to Remote E-voting are as under:

   i. The remote e-voting period commences on Wednesday, 16th September, 2020 (9:00 a.m.) and ends on Friday, 18th September, 2020 (5:00 p.m.). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off date Saturday, 12th September, 2020, may cast their vote electronically. Thereafter, the Remote E-voting module shall be disabled by LIIPL at 5.00 p.m. on the last day i.e. Friday, 18th September, 2020.

   ii. Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

   a. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

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

   ➢ Click on "Sign Up" tab available under 'Shareholders' section register with your following details:

   ❖ Enter your User ID as given below:

   ➢ **Shareholders holding shares in demat account with NSDL** shall provide 8 Character DP ID followed by 8 Digit Client ID

   ➢ **Shareholders holding shares in demat account with CDSL** shall provide 16 Digit Beneficiary ID

   ➢ **Shareholders holding shares in Physical Form i.e. Share Certificate** shall provide Event No + Folio Number registered with the Company.

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

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

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

   Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter Folio number therein.

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

c. If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/ or voted on an earlier voting of any other Company then you can use your existing password to login.

d. If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

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

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

iii. *Cast your vote electronically*

a. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "**EVENT NO. 200202**" of the company, you choose to vote.

b. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

c. Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

d. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.

e. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

f. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

g. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

h. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

iv. *General Guidelines for shareholders***:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**.

  They are also required to upload a scanned certified true copy of the board resolution / authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund/ Corporate Body' login** for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us **:-** Tel : 022 - 49186000.

v. Mr. D. G. Bhimani, Proprietor of M/s. D. G. Bhimani & Associates, Practicing Company Secretaries, Anand is appointed as the Scrutinizer to scrutinise the remote e-voting process and voting at AGM in a fair and transparent manner.

vi. The Chairperson of the AGM, after the end of the discussions on the resolutions on which voting is to be held, with the assistance of the Scrutinizer shall allow the e-voting to those Members attending the AGM and who have not cast their votes through remote e-voting.

vii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM, in the presence of at least two (2) witnesses not in the employment of the Company. Thereafter, he shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and within a period not exceeding two (2) working days from the conclusion of the AGM, forward to the Chairperson or any person authorised by him in writing, who shall countersign the same.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.hle-glascoat.com and on the website of Link Intime India Pvt. Ltd. immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The results shall also be forwarded to the stock exchanges where the shares of Company are listed.

(H) Other Instructions

1. ***Registration of email ID and Bank Account details:***

In case the shareholder's email ID is already registered with the Company/ Registrar & Share Transfer Agent - RTA/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/ her/ their email address with the Company/ RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/ Bank detail Registration - fill in the details and upload the required documents and submit.
OR

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

2. In case of joint holders attending the Meeting, only that joint-holder who is highest in the order of names shall be entitled to vote.

3. The relevant information of the Director seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the revised Secretarial Standard-2 (SS-2) on General Meetings, is provided in the Explanatory Statement forming part of this Notice.

4. The Register of Members and Share Transfer Books of the Company, for the shares held in physical form, will remain closed from Sunday, 13th September, 2020 to Wednesday, 16th September, 2020 (both days inclusive).

5. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2013 or any subsequent financial years, are requested to make their claims to the Company at the earliest. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated herein, no claim with the Company shall lie in respect thereof. The due date for closure of the unpaid dividend account for financial year 2012-13 is 17th October, 2020. Hence, members are requested to realise their unpaid dividend amount atleast one month before the due date.

6. In accordance with the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Companies) Rules, 2012, the Company has uploaded the information, in respect of Unclaimed Dividends related to financial year 2011-12 to 2017-18 as on the date of the 28th Annual General Meeting of the Company i.e. 27th July, 2019, on the Company's website: www.hle-glascoat.com in Investors Guide/ Unclaimed and Unpaid Dividend Details-Form IEPF-2 and IEPF website: www.iepf.gov.in

7. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime India Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by visiting on the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html latest by 5:00 p.m. on 10th September, 2020.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by visiting on the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html latest by 5:00 p.m. IST on 10th September, 2020

8. A separate reminder has also been sent to those Shareholders having unclaimed dividends related to financial year 2012-13 to 2017-18.

9. Members holding shares in physical form are requested to provide their ECS details viz bank name and account no., branch name and code, account type, MICR no., etc. quoting their folio nos. along with a cancelled blank cheque and self-attested PAN card copy to Link Intime India Pvt. Ltd., Vadodara, RTA of the Company. (Form for availing ECS facility is available on the Company's website: www.hle-glascoat.com in Investors Guide/ Investors Information.

10. Members holding shares in electronic form may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the Members.

11. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Company or RTA.

12. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

13. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. Nomination facility is available to -

    (a) Members holding shares in physical form by filing Form SH-13 with the Company's RTA. Form SH-13 is available on the Company's website and shall also be provided on request.

    (b) Members holding shares in dematerialized form by lodging their request with their DPs.

14. Members are requested to notify immediately:

    (a) Any change in their residential address.

    (b) Income-tax Permanent Account Number (PAN).

    (c) Bank details – Name and address of the bank; A/c No.; type of A/c

15. Shareholders holding shares in more than one folios are requested to write to the RTA of the Company, enclosing their Share Certificates, for consolidation of their folios.

16. Non-resident members are requested to inform their Depository Participants/ Link Intime India Pvt. Ltd., immediately of-

    (i) change in their residential status to India for permanent settlement;

    (ii) particulars of their bank account(s) maintained in India with complete name, branch, account type, account number and address of bank, with pin code number.

17. Transfer of share certificates to the Company's Unclaimed Suspense Demat A/c and IEPF Suspense Demat A/c:

    In accordance with the provisions of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred the unclaimed physical share certificates lying with it to the Demat A/c namely "Swiss Glascoat Equipments Limited - Unclaimed Suspense Account" after sending three reminders at regular intervals at the last available address of the concerned shareholders in the records of the Company/ Depository database. The details of the number of shares transferred to and from the said account have been provided in the Corporate Governance Report as an annexure to the Board Report.

Kindly note that the said Suspense Account is maintained by the Company purely on behalf of those Shareholders whose share certificates have been transferred to the said Demat A/c and the concerned Shareholders are entitled to approach the Company for possession of the shares entitled to them. After due legal formalities, the Company shall transfer the entitled shares to the respective Shareholder applicant.

Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") notified by the Ministry of Corporate Affairs effective from 7th September, 2016 and amended from time to time, the Company has communicated individually and a notice was published in the newspapers in English and the local language to the concerned shareholders whose shares are liable to be transferred to IEPF Suspense Account under the said IEPF Rules for taking appropriate actions.

The Company has also uploaded full details of such Shareholders and shares were due to transfer and were transferred to IEPF Suspense Account on its website: www.hle-glascoat.com in Investors Guide/ Details related to shares/ dividend transferred to IEPF Authority. The said shares have been transferred to IEPF Authority after completion of due legal formalities by the Company in December 2018.

Further, in the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5.

18. Since the AGM will be held through VC/ OAVM in accordance with the MCA Circulars and SEBI circular, the route map, proxy form and attendance slip are not attached to this Notice.

By the Order of the Board of

HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Ms. Dhwani Shah
Company Secretary

Date: 20h June, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

The existing Agreement of appointment of Mr. Himanshu Patel as the Managing Director of the Company has expired on 30th December, 2019. Hence, the Board recommends his re-appointment as the Managing Director of the Company for a further period of three years with effect from 31st December, 2019.

Details as required under Schedule V of the Companies Act, 2013 are provided below:

I. General Information

- Nature of Industry: Manufacturing of Glass-line Equipment, Filtration and Drying Equipment and Chemical manufacturing
- Date of commencement of commercial production: 5th March, 1992
- In case of new companies, expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus: N.A.
- Financial performance based on given indicators: N.A.
- Foreign investments or collaborations, if any: N.A.

II. Information about the Appointee:

Particulars	**Mr. Himanshu Patel**
Background Details	Mr. Himanshu Patel has completed his B.E. (Electrical) from the University of Bombay in the year 1976. He is having more than 38 years of experience in the business of chemicals and engineering.He is a promoter/ director in the following companies/entities: 1. Maroli Udhyognagar Land Development and Management Company Private Limited 2. HLE Engineers Private Limited 3. Newpar Aromatics LLP 4. HN Indigos Private Limited 5. Yashashvi Rasayan Private Limited 6. Yashaswati Foundation
Past Remuneration	Mr. Himanshu Patel was entitled to a monthly salary, including allowances, of Rs. 3,32,750/- (Rupees Three Lakhs Thirty Two Thousand Seven Hundred and Fifty only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as the Managing Director of the Company w.e.f. 31st December, 2016.
Recognition and Awards	N.A.
Job Profile and his suitability	He has overall control over the management and business strategy of the Company in line with his qualification and experience in the business.
Remuneration proposed	Mr. Himanshu Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary** : Annual salary of Rs. 75,00,000/-. **Perquisites** : Perquisites as specified in the draft agreement. **Commission** : At the rate of 1% on the net profit of the Company. **Annual Increment** : The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person The remuneration payable to Mr. Himanshu Patel is in line with that payable in the industry and the companies of similar size and nature.
Pecuniary Relations with the Company	Apart for receipt of remuneration as per the Agreement entered into with the Company, following companies/entities in which Mr. Himanshu Patel has direct/ indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: • Maroli Udhyognagar Land Development and Management Company Private Limited • HLE Engineers Private Limited • Newpar Aromatics LLP • HN Indigos Private Limited • Yashashvi Rasayan Private Limited • Yashaswati Foundation • M/s HL Equipments • Yash Speciality LLP

III. Reasons for Loss or Inadequate Profit and Steps taken for improvement, expected increase in productivity and profits in measurable terms: Not Applicable

Other Details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Date of Birth	18th August, 1952
Date of Appointment on the Board	31st December, 2016
Directorships held in other public companies	None
No. of shares held in the Company	35,95,707
Relations with Other Directors	He is father of Mr. Harsh Patel, Brother of Mr. Nilesh Patel and Uncle of Mr. Aalap Patel. All are appointed as Directors of the Company w.e.f. 31st December, 2016

The appointment is made subject to the terms and conditions including remuneration contained in the draft agreement which is available for electronic inspection as stated in this Notice up to the date of the Annual General Meeting.

Further, as per SEBI Circular No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, upon insertion of Regulation 17(6)(e) in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the total remuneration payable to all Executive Directors, who are promoters or members of promoter group, shall not exceed 5% of the net profits of the Company calculated as per provisions laid down in Section 198 of the Companies Act, 2013.

The Board of Directors recommends the resolution for your approval as special resolution for re-appointment of Mr. Himanshu Patel as the Managing Director of the Company and to enable the payment of remuneration which may be in excess of the said SEBI (LODR) Regulations, 2015, but which is otherwise permissible under Schedule V of the Companies Act, 2013.

None of the Directors, except Mr. Himanshu Patel, Mr. Nilesh Patel, Mr. Harsh Patel and Mr. Aalap Patel, or the Key Managerial Persons or their relatives are in any way interested or concerned, either financially or otherwise, in the resolution.

The Explanatory Statement is and should be treated as an abstract as per applicable provisions of the Companies Act, 2013, as amended.

Item No. 6

The existing Agreement of appointment of Mr. Aalap Patel as the Executive Director (Technical) has expired w.e.f. 30th December, 2019. Hence, the Board recommends his re-appointment as the Whole-time Director [designated as the Executive Director (Technical)] of the Company for a further period of three years with effect from 31st December, 2019.

Details as required under Schedule V of the Companies Act, 2013 are provided below:

I. General Information

- Nature of Industry: Manufacturing of Glass-line EquipmentIndustry, Filtration and Drying Equipment and Chemical manufacturing
- Date of commencement of commercial production: 5th March, 1992
- In case of new companies, expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus: N.A.
- Financial performance based on given indicators: N.A.
- Foreign investments or collaborations, if any: N.A.

II. Information about the Appointee:

Particulars	**Mr. Aalap Patel**
Background Details	Mr. Aalap Patel has completed his B.E. (Mechanical) from the University of Pune in the year 2009 and MBA in Global Management from the Thunderbird School of Global Management in the year 2013. He is having more than 5 years of experience in the business of engineering and sea food processing.Mr. Aalap Patel is a promoter/ director in the following companies/entities: 1. HN Indigos Private Limited
Past Remuneration	Mr. Aalap Patel was entitled to a monthly salary, including allowances, of Rs. 2,00,000/- (Rupees Two Lakhs only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as the Executive Director (Technical) of the Company w.e.f. 31st December, 2016.

Recognition and Awards	N.A.
Job Profile and his suitability	He has control over the management in the technical areas of the Company's business in line with his qualification and experience in the business.
Remuneration proposed	Mr. Aalap Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary** : Annual salary of Rs. 55,00,000/- **Perquisites** : Perquisites as specified in the draft agreement. **Annual Increment** : The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board. Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person The remuneration payable to Mr. Aalap Patel is in line with that payable in the industry and the companies of similar size and nature.
Pecuniary Relations with the Company	Apart for receipt of remuneration as per the Agreement entered into with the Company, following companies/entities in which Mr. Aalap Patel has direct/ indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: • Maroli Udhyognagar Land Development and Management Company Private Limited • HLE Engineers Private Limited • Newpar Aromatics LLP • HN Indigos Private Limited • Yashashvi Rasayan Private Limited • Yashaswati Foundation • M/s HL Equipments • Yash Speciality LLP

III. Reasons for Loss or Inadequate Profit and Steps taken for improvement, expected increase in productivity and profits in measurable terms: Not Applicable

<u>Other Details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:</u>

Date of Birth	17th October, 1987
Date of Appointment on the Board	31st December, 2016
Directorships held in other public companies	None
No. of shares held in the Company	1,88,833
Relations with Other Directors	He is the son of Mr. Nilesh Patel, Nephew of Mr. Himanshu Patel and First Cousin of Mr. Harsh Patel. All are appointed as Directors of the Company w.e.f. 31st December, 2016.

The appointment is made subject to the terms and conditions including remuneration contained in the draft agreement which is available for electronic inspection as stated in this Notice up to the date of the Annual General Meeting..

Further, as per SEBI Circular No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, upon insertion of Regulation 17(6)(e) in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the total remuneration payable to all Executive Directors, who are promoters or members of promoter group, shall not exceed 5% of the net profits of the Company calculated as per provisions laid down in Section 198 of the Companies Act, 2013.

The Board of Directors recommends the resolution for your approval as special resolution for re-appointment of Mr. Aalap Patel as the Whole-time Director [designated as the Executive Director (Technical)] of the Company and to enable the payment of remuneration which may be in excess of the said SEBI (LODR) Regulations, 2015, but which is otherwise permissible under Schedule V of the Companies Act, 2013.

None of the Directors, except Mr. Himanshu Patel, Mr. Nilesh Patel, Mr. Harsh Patel and Mr. Aalap Patel, or the Key Managerial Persons or their relatives is in any way interested or concerned, either financially or otherwise, in the resolution.

The Explanatory Statement is and should be treated as an abstract as per applicable provisions of the Companies Act, 2013, as amended.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs. 1,00,000/- only plus applicable tax and out-of-pocket expenses of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified/ approved by the Members of the Company.

Accordingly, ratification/ approval by the Members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

The Explanatory Statement is and should be treated as an abstract as per applicable provisions of the Companies Act, 2013, as amended.

Item No. 8

Resolution in the General Meeting is required to be passed by the Company to enable the Company to invite / accept / renew deposits from the Members of the Company. The Board recommends the Ordinary resolution set out at Item no. 8 for approval of the Members.

None of the Directors or the Key Managerial Persons and their relatives are in any way interested or concerned, either financially or otherwise, in the resolution except to the extent of their deposit holding/ shareholding in the Company, if any.

The Explanatory Statement is and should be treated as an abstract as per applicable provisions of the Companies Act, 2013 (as amended).

ANNEXURE TO THE EXPLANATORY STATEMENT

Details of personnel seeking appointment at the 29th Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Particulars	**Mr. Nilesh Patel**
Date of Birth	24th July, 1961
Date of Appointment on the Board	31st December, 2016
Qualifications	B.Sc. (Chemistry)
Expertise	More than 26 years of experience in the business of chemicals and engineering.
Directorships held in other public companies	None
No. of shares held in the Company	36,39,127
Relations with Other Directors	He is father of Mr. Aalap Patel and Brother of Mr. Himanshu Patel and Uncle of Mr. Harsh Patel., who are the Directors of the Company w.e.f. 31st December, 2016.
Pecuniary Relations with the Company	Following companies/entities, in which Mr. Nilesh Patel has direct/ indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 • Maroli Udhyognagar Land Development and Management Company Private Limited • HLE Engineers Private Limited • Newpar Aromatics LLP • HN Indigos Private Limited • Yashashvi Rasayan Private Limited • Yashaswati Foundation • M/s HL Equipments • Yash Speciality LLP

BOARD REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report together with the Audited Financial Statements for the Financial Year ended on 31st March, 2020.

- **FINANCIAL HIGHLIGHTS***

(Rs. in lakhs, except EPS)

PARTICULARS	Consolidated		Standalone	
	2019-20	2018-19*	2019-20	2018-19*
Revenue from Operations	42,647.37	35,935.91	38,744.51	33,678.08
Other Income	333.75	286.51	778.07	576.98
Profit before Finance Costs, Depreciation, Exceptional items, Extraordinary Items and Tax	7,623.15	4,852.63	7,199.72	4,558.12
Less: Finance Costs	1,222.22	1,448.68	1,183.38	1,390.15
Profit before Depreciation, Exceptional Iitems, Extraordinary Items and Tax	6,400.93	3,403.95	6,016.34	3,167.97
Less: Depreciation/ Amortisation/ Impairment	744.43	653.39	722.42	633.02
Profit before Exceptional Items, Extraordinary Items and Tax	5,656.50	2,750.59	5,293.92	2,534.95
Less: Exceptional Items and Extraordinary Items	-	-	-	-
Profit before Tax	5,656.50	2,750.59	5,293.92	2,534.95
Less: Current Tax	1,673.49	730.07	1,411.49	555.07
Less: Deferred Tax	63.03	168.00	63.80	168.48
Profit for the financial year (A)	3,919.98	1,852.52	3,818.63	1,811.40
Other Comprehensive Income/ loss (B)	(32.95)	(20.02)	(32.95)	(20.02)
Total Comprehensive Iincome for the financial year (A+B)	3,887.03	1,832.50	3,785.68	1,791.38
Earnings Per Share (EPS)	30.31	14.33	29.53	14.01

* Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary. Previous years' figures have been consolidated and restated for better understanding considering the appointed date in the Scheme of Arrangement was 1st April, 2018.

- **SCHEME OF ARRANGEMENT**

The Board of Directors of the Company at its meeting held on 16th January, 2019, had approved the Scheme of Arrangement between your Company, HLE Engineers Private Limited and Yashashvi Agrochemical Private Limited providing for (i) the Demerger of the Operating Business of HLE Engineers Private Limited and vesting of the same into your Company; (ii) the Amalgamation of Yashashvi Agrochemical Private Limited with HLE Engineers Private Limited; and (iii) various other matters consequential or otherwise integrally connected therewith, with effect from 1st April, 2018 ("Scheme").

The Scheme has been approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 24th October, 2019. Consequently, the name of the Company has been changed to HLE Glascoat Limited in accordance with the terms of the Scheme.

Since the appointed date in the Scheme was 1st April, 2018, the previous years' figures have been consolidated and restated for better understanding.

The Scheme and other related documents as submitted to the regulatory authorities are available on the Company's website: www.hle-glascoat.com under Investors Guide/ Details of Scheme of Arrangement.

- **BUSINESS OVERVIEW**

The overall economic scenario during the financial year 2019-20 was robust. The Indian Engineering Sector has witnessed an encouraging growth over the last few years driven by increased investments in infrastructure and industrial capacities. The growth of the Engineering Sector is an important barometer of the country's economic progress and the trends appear to be positive. The key end users of the Company's products viz. the Agrochemical, Speciality Chemical, Dyes, Pigment and the Active Pharmaceutical Ingredient manufacturers are witnessing an unprecedented increase in their long term demand and this portends well for the your Company's prospects. Your Company achieved an enhanced sales turnover of Rs. 38,744.51 lakhs as against Rs. 33,678.08 lakhs during the previous year (growth of 15.13%) and earned a Net Profit after Tax of Rs. 3,818.63 lakhs as against Rs. 1,811.40 lakhs during the previous year (growth of 110.81%). Your Directors attribute this improved performance, apart from the market growth and external factors, to various steps taken by the management in multiple facets of the business viz. increased manufacturing capacity, improvements in production processes, improved planning, focus on timely delivery and better marketing coverage.

The continued improvement in the economic outlook for the Active Pharmaceutical Ingredients and Chemicals sector, the key customer segments for your Company, also enhances the optimism for the coming years.

The Company has passed a circular resolution dated 22nd May, 2020 for discontinuing of its chemical unit operations at Maroli on or around 30th July, 2020. No effect of the above has been given in the financials as on 31st March, 2020 as the same is considered as a non-adjusting event.

- **DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

H L Equipments ("HLEQ" or "the Firm") is a Partnership Firm, in which your Company owns 80% ownership interest. HLEQ's manufacturing facility is located at Silvassa and is equipped with all key equipment critical for the chemical equipment fabrication.

The Firm achieved a sales turnover of Rs. 52.05 crores (previous year Rs. 37.78 crores) for the year ended 31st March, 2020 and earned EBITDA of Rs. 8.73 crores (previous year Rs. 6.14 crores) for the same period. The Firm has a good order book at the year end, which provides a promising visibility of revenue for FY21.

- **IMPACT OF COVID 19 PANDEMIC**

There has been no material adverse impact on the Company's performance and financials position as a result of COVID-19 outbreak in the country except suspension of manufacturing operations during the lockdown period starting from 24th March, 2020 to 21st April, 2020, resulting in delay of deliveries of the products to the customers and incurrence of fixed costs (salaries, other overheads, etc.) for the period during which the manufacturing operations were suspended. The resumption of manufacturing and other operations with restricted manpower (in line with the regulatory guidelines) is also likely to have a short-term impact on the overall output and efficiency of operations.

- **DIVIDEND**

The Board of Directors of your Company recommends the final dividend of Rs. 2.50/- (@ 25%) per equity shares for the FY 2019-20 for your review. During the year, the Company had declared interim dividend of Rs. 2.00 (@ 20%) per equity share. The aggregate dividend paid/ recommended will be Rs. 4.50/- (@ 45%) per equity shares of the face value of Rs.10/-.

The Board of Directors had also declared and paid dividend of Rs. 0.95/- per 9.50% non-Convertible, cumulative, redeemable preference shares for the year 2018-19 on 24th February, 2020. The Board of Directors has also approved the payment of dividend of Rs. 0.95 per redeemable preference share for the year 2019-20.

- **TRANSFER TO RESERVES**

The Board of Directors of your Company has decided to transfer Rs. 1850 lakhs to General Reserve for the year under review.

- **SHARE CAPITAL**

Your Company's paid-up Equity Share Capital as on 31st March, 2020 was Rs. 14.81 crores, comprising of 1,29,31,076 equity shares of Rs.10 each, fully paid up and 18,75,152 9.50% non--convertible, cumulative, redeemable preference shares (NCCRPS) of Rs. 10 each, fully paid up.

During the financial year under review, your Company has issued and allotted 96,57,029 equity shares of Rs. 10/- each, credited as fully paid up and 18,75,152 9.50% NCCRPS of Rs. 10/- each, credited as fully paid up to the shareholders of HLE Engineers Private Limited ("Demerged Company") whose name appeared in the register of members as on 14th December, 2019 ("Record Date") in the ratio of 309 fully paid up equity shares and 60 fully paid up 9.50% NCCRPS of your Company for every 100 equity shares held by them in the Demerged Company, pursuant to provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and in terms of the Scheme of Arrangement approved by the National Company Law Tribunal, Ahmedabad Bench vide its order dated 24th October, 2019. As per the Scheme, the Company has also cancelled 32,25,953 equity shares held by HLE Engineers Private Limited.

Your Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Companies Act, 2013 ("Act") read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Your Company has not issued any sweat equity shares during the financial year under review and hence no information as per the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Your Company has not issued any equity shares under any Employees Stock Option Scheme during the financial year under review and hence no information as per the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 and hence no information in connection therewith has been furnished.

- **DEPOSITS**

Your Company has not accepted/ renewed any deposits from the public or the Members, within the meaning of Section 73 of the Act read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2019-20, and as such no amount of principal or interest on deposit from public or Members, was outstanding as of the Balance Sheet date. Pursuant to the Scheme and the demerger of the Operating Business of HLE Engineers Private Limited, certain unsecured loans forming part of the demerged undertaking have been transferred to the Company. These loans will be repaid over a period and will not be renewed by the Company.

- **CREDIT RATING**

Your Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations on a timely manner. ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) has continued its ratings with regards to the banking facilities enjoyed by your Company from its Bankers as "BBB+" (for long term facilities) and A2 (for short-term facilities) with a stable outlook.

The details of credit ratings obtained by the Company are placed on the Company's website: www.hle-glascoat.com in Investors Guide/ Credit Rating details of the Company.

➢ PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The particulars of loans, guarantees, investments and securities provided during the financial year under review, covered under the provisions of Section 186 of the Act have been provided in the notes to the Financial Statements. Your Company has complied with the provisions of Sections 185 and 186 of the Act to the extent applicable, with respect to the loans and investments made.

➢ INVESTOR EDUCATION AND PROTECTION FUND

During the financial year 2019-20 and in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Rules made thereunder:

- Dividend amount of Rs. 4.06 lakhs pertaining to the financial year 2011-12, which remained unclaimed and unpaid for a period of seven years from the date of its transfer to the Unpaid Dividend Account, has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- Rs. 2.63 lakhs have been transferred to the IEPF Authority towards the interim equity dividend declared for financial year 2019-20 in the Board Meeting held on 11th February, 2020, for the 1,31,604 equity shares held by the IEPF Authority in financial year 2019-20.
- 7,600 shares have been transferred to the IEPF Authority after compliance of due procedures as prescribed and 800 shares have been claimed by the Shareholders from the IEPF Authority in financial year 2019-20.

The year wise details of date of dividend declaration and due date for transfer of unpaid/ unclaimed dividend amount lying in unpaid dividend accounts are as under:

Year	Dividend Declaration Date	IEPF Transfer Due Date	Year	Dividend Declaration Date	IEPF Transfer Due Date
2012-13	19th September, 2013	17th October, 2020	2016-17	28th August, 2017	26th September, 2024
2013-14	11th September, 2014	9th October, 2021	2017-18	3rd August, 2018	1st September, 2025
2014-15	10th September, 2015	8th October 2022	2019-20 (Interim Dividend)	5th March, 2020	4th April, 2027
2015-16	25th July, 2016	23rd August, 2023			

Kindly note that in accordance with Section 124 of the Companies Act, 2013, the Dividend amount(s) unclaimed-/ unpaid for a period of 7 years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Thereafter, no claim shall lie against the Fund or Company for the amount(s) of Dividend so transferred. Also, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF along with a statement containing such details as may be prescribed. Accordingly, shareholders are requested to take immediate action in this matter and approach the Company to claim the dividend amount unrealised by them as soon as possible before the same are transferred to the IEPF as per the provisions of the Act and rules framed thereunder.

The statements of unpaid/ unclaimed dividend amount as on the date of Annual General Meeting- Form IEPF-2 for shares transferred to IEPF authority Form IEPF-7 for dividend amount on share transferred to IEPF and Form IEPF-4 are uploaded on the Company's website: www.hle-glascoat.com in Investors Guide and are also available on the IEPF website: www.iepf.gov.in.

The details of nodal officer appointed by the Company in accordance with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 are available on the Company's website: www.hle-glascoat.com in Investors Guide/ Contact details Designated Officer, Compliance Officer, Nodal Officer and Share Transfer Agent for any assistance related to transfer of shares/ dividend to IEPF.

➢ RELATED PARTY TRANSACTIONS

Your Company has implemented a policy on Related Party Transactions and the said Policy is available on the Company's website: www.hle-glascoat.com in Investors Guide/ Company Policies.

During the financial year under review, your Company has entered into related party transactions on an arm's length basis in compliance with Section 188 of the Act and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the same are provided in Form AOC-2 annexed hereto, which forms part of this Report.

Further, all such contracts/ arrangements/ transactions were placed before the Audit Committee and Board, for their approval. Prior approval/s of the Audit Committee/ Board are obtained on an annual basis, which is reviewed and updated on quarterly basis.

➢ PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo, etc. are furnished in the Annexure, which forms part of this Report.

- **PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES**

A. The details of the ratio of the remuneration of each director to the median remuneration of the employees and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and form part of this Report.

B. The details of the top 10 employees of the Company in terms of remuneration drawn as required under Section 134 of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and form part of this Report.

C. None of the employees of the Company have drawn remuneration of Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month or for any part of the year and hence the particulars required to be disclosed under Section 134 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required to be furnished.

D. None of the employees of the Company, employed throughout the year under review or part thereof, was in receipt of remuneration which was in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

- **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return for the financial year 2019-20 in Form MGT-9 pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as required under Section 134 of the Act is annexed hereto and forms part of this Report. Also, the Annual Return for the financial year 2019-20 shall be uploaded on the Company's website: www.hle-glascoat.com in Investors Guide/ Annual Return under Section 92 of the Act, in accordance with the provisions of Section 134 of the Act.

- **CORPORATE GOVERNANCE**

Pursuant to the provisions of Regulation 34(3) read with Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Report on Corporate Governance is annexed hereto and forms part of this Report. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. The requisite Compliance Certificate as required under Part E of Schedule V of the Listing Regulations, issued by Mr. D. G. Bhimani (C P No. 6628), proprietor of M/s. D. G. Bhimani & Associates, Practising Company Secretaries, Anand pertaining to the compliance of the conditions of Corporate Governance, is also annexed hereto which forms part of this Report.

- **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34(3) read with Schedule V(B) of the Listing Regulations, the Report on Management Discussion and Analysis is annexed hereto and forms part of this Report.

- **RISK MANAGEMENT**

Your Company recognizes the importance of managing risk in the business to sustain growth. The Board of Directors, along with the senior management of your Company, has developed and approved the Risk Management Policy, wherein all material risks faced by your Company are identified and assessed. The Risk Management Policy adopted by your Company lays down the systematic approach adopted by your Board to mitigate various risks viz. operational risk, financial risk, regulatory risk, reputational risk, etc. Your Company has entrusted the Audit Committee with the responsibility of implementing and monitoring of the Risk Management Policy on a periodic basis.

Some of the risks that the Company is exposed to are given below:

Financial risks:

This primarily include the ability of the Company to get loans from the bank and financial institutions or other sources, which is dependent upon the balance sheet's strength to leverage and Company's performance and credit history. The Company has adopted a suitable strategy to minimise the impact of interest rate fluctuations, including maintaining an optimal balance of different types (short term and long term) of loans and maturities for mitigating the interest rate risk.

Regulatory risks:

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits. The Company has implemented a compliance management system for effective tracking and managing regulatory and internal compliance requirements.

Human Resource risks:

Retaining the existing talent pool and attracting new talent are inherent business risks. The Company has an effective system in place related to recruitment and retention of the personnel.

Strategic risks:

Increasing competition, capital expenditure for capacity expansion, etc, are normal strategic risks faced by the Company. However, the Company has well-defined processes and procedures for obtaining Audit Committee and Board's approvals for investments in new businesses and capacity expansions.

Technology risks:

There is the risk that the technology may become outdated/ obsolete or its patent protection expires, permitting new entrants into the market and resulting into competition for the Company since the Company relies on certain technologies for its core/ critical operations. However, your Company is engaged in continuous innovation and staying ahead of the curve.

Cyber risks:

There is the risk of catastrophic information system failure or other operational failure or malfunction. The Company does maintain a cyber security infrastructure. The Company uses standardised backup tools, services and procedures to ensure that information and data are stored at two or more diverse locations.

➢ DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with 134(5) of the Act, your Directors confirm that:

(a) the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, in the preparation of the annual accounts;

(b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) proper internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) proper systems to ensure compliance with the provisions of all the applicable laws have been devised and that such systems were adequate and are working effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and reviews performed by the management and relevant Board Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

➢ DIRECTORS AND KEY MANAGERIAL PERSONS

The Directors of your Company are well experienced with expertise in their respective fields of technical, finance, strategic and operational management and administration. None of the Directors of your Company are disqualified under the provisions of Section 164(2)(a) and (b) of the Act. During the period under review, no Non-Executive Director of your Company had any pecuniary relationship or transactions with the Company except as stated elsewhere in this Report and in the notes to the accounts.

During the year under review, Mr. Mahesh Kabutarwala (DIN 00110317) and Mr. Sudarshan Amin (DIN 01828862) have tendered their resignation as the Directors of the Company with effect from 10th May, 2019 and 15th July, 2019 respectively. The Board places on record its sincere appreciation for their services and expert inputs provided during their tenure as the Directors of your Company.

Mr. Nilesh Patel (DIN 00141873), Non-Executive Director, is retiring by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. The brief profile of Mr. Nilesh Patel has been given in the Notice convening the Annual General Meeting.

Mr. Himanshu Patel (DIN 00202312) was appointed as Managing Director and Mr. Aalap Patel (DIN 06858672) as Whole-time Director (designated as Executive Director, Technical) for a period of 3 (three) years with effect from 31st December, 2016. The Board at its meeting held on 9th November, 2019, has approved the re-appointment of Mr. Himanshu Patel as Managing Director and Mr. Aalap Patel as Whole-time Director [designated as Executive Director, (Technical)], on the recommendation of the Nomination and Remuneration Committee, for a second term of three years commencing from 31st December, 2019 on the terms and conditions mentioned in the Notice accompanying this Report, subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting.

The day-to-day operations of your Company are managed by its Key Managerial Persons ("KMP") viz. the Managing Director, Executive Director (Technical), the Chief Financial Officer and the Company Secretary. As required under the provisions of Section 203 of the Act, Mr. Himanshu Patel (DIN 00202312), Managing Director, Mr. Aalap Patel (DIN 06858672), Executive Director (Technical), Ms. Dhwani Shah, Company Secretary are the Key Managerial Personnel of your Company as on the date of this Report. During the year under review, Mr. Suryakant Dave, Chief Financial Officer of the Company, who had been appointed by the Board of Directors, on recommendation of the Nomination and Remuneration Committee, in the Board Meeting convened on 27th July, 2019 has resigned from the Company with effect from 10th May, 2020. On the recommendation of the Nomination and Remuneration Committee, the Board had at its meeting held on 20th June, 2020 appointed Mr. K. V. Unnikrishnan as the Chief Financial Officer of the Company.

The Nomination and Remuneration Committee has formulated the Policies relating to the appointment and remuneration of the Directors of your Company, laying down criteria for determining qualification, positive attributes, independence of directors, etc. Salient features of the said Policies are provided as an annexure hereto, which forms part of this Report. These are also available on the Company's website: www.hle-glascoat.com in Investors Guide/ Company Policies.

- **BOARD OF DIRECTORS AND COMMITTEES FORMED THEREUNDER**

The Board of Directors has constituted the following Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

The details related to the composition of the Board of the Company and the Committees formed by it and meetings conducted during the year under review are given in the Corporate Governance Report annexed hereto and forming part of this Report.

- **DECLARATIONS BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations, your Company has received individual declarations from all the Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and the Rules made thereunder.

The Independent Directors have also confirmed that there has been no change in the circumstances which may affect their status as Independent director and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence and that they are independent of the management.

A Statement by the Managing Director regarding the said affirmation by the Independent Directors is annexed hereto and forms part of this Report.

- **PERFORMANCE EVALUATION OF THE DIRECTORS**

During the financial year 2019-20, the Board of Directors of your Company has carried out an Annual Performance Evaluation of the Board, its Committees and all the individual Directors as per the Company's Policy for Performance Evaluation of Directors. Performance evaluation sheets were distributed prior to the Meeting dates. The outcome of the above exercise of performance evaluation of all the Directors collectively and individually and the Board/ Committees was announced in the respective Meetings.

(i) The Board, in its Meeting held on 11th February, 2020, has carried out the evaluation task of the Committees formed by the Board and the Independent Directors individually for the period from 1st January, 2019 to 31st December, 2019. In accordance with the provisions of the Section 149 of the Act read with Schedule IV, annual performance evaluation of the Independent Directors was carried out by the entire Board of Directors, excluding the Directors being evaluated.

The performance of each Independent Director has been evaluated on various parameters like ethics/ values, inter-personal skills, competence and general administration, liaison skills, participation in meetings, etc. The Board was satisfied that each of the Independent Directors has been acting professionally and has brought his/ her rich experience in the deliberations of the Board.

(ii) The Independent Directors, in their separate Meeting held on 11th February, 2020, carried out the performance evaluation of all the non-Independent Directors and the Board as a whole, with special attention to the performance of the Chairperson of the Company for the period from 1st January, 2019 to 31st December, 2019. The various criteria considered for purpose of evaluation included composition of the board, ethics/ values, inter-personal skills, competence and general administration, liaison skills, participation in meetings, etc. The Independent Directors were of the view that all the non-Independent Directors were competent and the results of the evaluation were satisfactory and adequate to meet your Company's requirements.

(iii) The Nomination and Remuneration Committee, in its Meeting held on 11th February, 2020, reviewed the performance of the Executive Directors of the Company with special attention to the leadership criteria for the Managing Director and the Executive Director for the period from 1st January, 2019 to 31st December, 2019. The various criteria considered for purpose of evaluation included ethics/ values, inter-personal skills, competence and general administration, liaison skills, participation in meetings, etc. The Committee was of the view that the Executive Directors were capable and the results of the evaluation were satisfactory and adequate to meet your Company's requirements.

The Board also expressed its satisfaction over the process of evaluation.

- **CORPORATE SOCIAL RESPONSIBILITY [CSR]**

Your Company has formed a CSR Committee in accordance with the provisions of Section 135 of the Act, details of which are provided in the Corporate Governance Report annexed hereto and forming part of this Report. The CSR Policy of your Company as approved by the Board of Directors and is available on the Company's website: www.hle-glascoat.com in Corporate Social Responsibility section.

The Annual Report on CSR activities as required under Sections 134 and 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under the CSR Policy for the financial year 2019-20, amount unspent and the reason for the unspent amount, is annexed hereto and forms part of this Report.

- **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Board, pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers), 2014, has formulated and implemented a Whistle Blower Policy for Directors and employees incorporating the Vigil Mechanism with a view to provide a mechanism which ensures adequate safeguards from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Policy covers malpractices and/ or events related to all issues that could have grave impact on the operations and performance of the business of your Company. The concerned matters are to be reported to the Compliance Officer and/ or the Chairperson of the Audit Committee. The Audit Committee monitors the Vigil Mechanism of your Company.

During the financial year 2019-20, no employee has been denied access to the Compliance Officer/ the Chairperson of the Audit Committee, who have been appointed as the Whistle Blower Officers of the Company.

An extract of the Whistle Blower Policy incorporating the Vigil Mechanism and the contact details of the relevant Officers are available on the Company's website: www.hle-glascoat.com in Investors Guide/ Whistle Blower/ Vigil Mechanism.

➢ PREVENTION OF SEXUAL HARASSMENT AT THE WORKPLACE

Your Company has framed a Policy against sexual harassment and a formal process for dealing with complaints relating to harassment or discrimination. The said Policy is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC') to deal with the complaints received by your Company pertaining to gender discrimination and sexual harassment at the workplace.

Following is a summary of sexual harassment complaints received and disposed off during the financial year 2019-20.

No. of complaints not resolved as on 1st April, 2019	:	Nil
No. of complaints received in financial year 2019-20	:	Nil
No. of complaints resolved in financial year 2019-20	:	Nil
No. of complaints not resolved as on 31st March, 2020	:	Nil

➢ MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, affecting the financial position of your Company which have occurred during the period between the end of the financial year to which the financial statements relate and the date of this Report.

➢ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has strong integrated systems for internal controls commensurate with the size and nature of its business.

Investment decisions involving capital expenditure are subject to detailed appraisal and review by appropriate levels of authority. Capital and revenue expenditure are monitored and controlled with reference to pre-approved budgets and forecasts.

Your Company has established effective internal control systems to ensure accurate, reliable and timely compilation of financial statements, to safeguard assets of your Company and to detect and mitigate irregularities and frauds. Your Company's management has established adequate internal control procedures over financial reporting.

In accordance with the requirements of Section 143(3)(i) of the Act, the Statutory Auditors have confirmed the adequacy and operating effectiveness of the internal financial control systems over financial reporting.

➢ STATUTORY AUDITORS AND INDEPENDENT AUDITORS' REPORT

M/s. M. M. Nissim & Co., Chartered Accountants, Mumbai (Firm Registration No. 107122W) have been appointed as the Statutory Auditors of your Company for a tenure of 5 (five) years from 28th August, 2017.

The Auditors' Report given by M/s. M. M. Nissim & Co, Statutory Auditors, on the Financial Statements of your Company, for the year ended March 31, 2020, forms part of the Annual Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

In accordance with the Section 40 of the Companies (Amendment) Act, 2017 (corresponding to Section 139 of the Act), the requirement of ratification of the appointment of the Statutory Auditor in every Annual General Meeting of the Company during the tenure of appointment has been dispensed with. Hence, the matter has not been placed as an agenda item in the AGM Notice for the approval of the shareholders.

➢ REPORTING OF FRAUDS

There have been no frauds reported under sub-section (12) of Section 143 of the Act, during the financial year under review, to the Audit Committee or the Board of Directors.

➢ SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Company has appointed M/s. D. G. Bhimani and Associates, Practising Company Secretaries (C P No. 6628) as the Secretarial Auditors for the financial year 2019-20 in accordance with Section 204 of the Act. The Report on Secretarial Audit for the financial year 2019-20, in Form MR-3, is annexed hereto and forms part of this Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

In terms of Section 204 of the Act, on the recommendation of the Audit Committee, the Board has appointed M/s. D. G. Bhimani and Associates, Practising Company Secretaries (C P No. 6628), as the Secretarial Auditors for the financial year 2020-21. The Company has received the consent for the said appointment.

- **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING**

The Directors of your Company confirm that the applicable Secretarial Standards prescribed for the Board and General Meetings by the Institute of Company Secretaries of India and notified by the Central Government have been complied with during the financial year under review. The Company has also voluntarily adopted other applicable Secretarial Standards issued and made effective by the Institute of Company Secretaries of India.

- **INTERNAL AUDITORS**

CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) has conducted the internal audit of your Company for the Anand works for the financial year 2019-20; and AKMK Associates, Chartered Accountants (Firm Registration No.: 136206W) has conducted the internal audit of your Company for the Maroli works for the financial year 2019-20.

The Company has appointed CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) and AKMK Associates, Chartered Accountants (Firm Registration No.: 136206W) as the Internal Auditors,-for the Anand works and the Maroli Works respectively for the financial year 2020-21. The Company has received the consent from them for their appointment.

- **COST RECORDS AND AUDIT**

Pursuant to Section 148 of the Act read with the Companies (Cost Record and Audit) Rules, 2014, your Company has duly maintained the cost records as prescribed under the said rules. The cost audit for the financial year 2019-20 of the said records shall be carried by M/s Nanty Shah & Associates, Cost Accountants (Membership No. 31497), the Cost Auditor appointed by the Company.

Further, the Company has appointed M/s. Nanty Shah & Associates, Cost Accountants (Membership No. 31497) as the Cost Auditor of the Company for the financial year 2020-21. The Company has received the consent from them for their appointment.

- **GENERAL**

  - During the year under review, there was no change in nature of business of the Company.
  - During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.
  - Your Company does not have any subsidiaries, joint ventures or associate companies except M/s H L Equipments, a partnership firm where the Company holds 80% partnership interest. HLE Engineers Private Limited was originally the partner in the said partnership firm and as a part of the Scheme, the said ownership interest in H L Equipments was vested in your Company. The consolidated financial statements are also being presented in addition to the standalone financial statement of your Company.

- **ACKNOWLEDGEMENTS**

Your Directors and Management take this opportunity to thank your Company's customers, vendors, investors, business associates, bankers and other stakeholders for their continued support. Your Directors also take this opportunity to applaud the contributions made by all the employees to the operations of your Company for its continued growth and success.

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-
Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Date: 20th June, 2020

ANNEXURE TO THE BOARD REPORT

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS UNDER SECTION 134 OF THE COMPANIES ACT, 2013

In accordance with Section 134(3) of the Companies Act, 2013, I hereby confirm that the Independent Directors of the Company have affirmed their compliance with the criteria of independence as stipulated in Section 149 of the Companies Act, 2013 read with Schedule IV - Code of Independence to the said Act (as amended from time to time) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

For **HLE Glascoat Limited**
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Mr. Himanshu Patel
Chairperson and Managing Director

Date : 20th June, 2020

CERTIFICATION BY THE CEO AND CFO AS REQUIRED UNDER REGULATIONS 17(8) AND 33(2)(a) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors,
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)
H-106, GIDC Estate,
Vitthal Udyognagar - 388121
Dist. Anand, Gujarat.

We, Mr. Himanshu Patel, the Chairperson and Managing Director and Mr. K.V. Unnikrishnan, the Chief Financial Officer of the Company, certify to the Board that:

A. We have reviewed the Standalone and Consolidated Audited Financial Results for the year ended on 31st March, 2020 and to the best of our knowledge and belief:
   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated, to the extent applicable, to the Auditors and the Audit Committee:
   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Chairperson and Managing Director

Sd/-
Chief Financial Officer

Date : 20th June, 2020

ANNEXURE TO THE BOARD REPORT

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE BOARD REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

(A) Conservation of Energy

The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management Systems. It is making best endeavours to reduce energy consumption in all its operations and activities.

(i) To achieve the above objectives the following steps are being undertaken by the Company:

I. Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.

II. Continuously replacing the inefficient equipment with latest energy efficient technology and upgradation of equipment continually.

III. Increasing the awareness of energy saving within the organization to avoid wastage of energy.

IV. To enhance utilization of Renewable Energy Resources.

V. Achieving the power factor closer to unity in the Plant by effective reactive energy management.

VI. To reduce the Green House Emission by improving energy efficiency at the Plant.

(ii) Steps taken by the Company for utilising alternate sources of energy:

As a measure to encourage Green Energy, the Company has installed 3 Windmills at following locations-

- 1 Windmill with an installed capacity of 1.25 MW at Baradiya in Jamnagar, Gujarat in Financial Year 2009-10 and it has generated over 21 lakhs units in Financial Year 2019-20 which has been fully utilised during the period under review.
- 2 Windmills with an installed capacity of 250 KW each at Sujapur in Ratlam, Madhya Pradesh in Financial Year 2007-08 and their combined generation is 4.26 lakhs units in Financial Year 2019-20 which has been fully utilised during the period under review.

(iii) Capital investment on energy conservation equipment

Installation of a new gas operated furnace for efficient consumption of energy was completed in the financial year 2018-19. The results have been encouraging.

(B) Technology Absorption, Adaption and Innovation- None

(C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual are as under:

(Rs. in lakhs)

1.	Total foreign exchange outgo	Rs. 2160.08
2.	Total foreign exchange earned	Rs. 3858.16

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Date : 20th June, 2020

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

ANNEXURE TO THE BOARD REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
for the Financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L26100GJ1991PLC016173
ii)	Registration Date	26th August, 1991
iii)	Name of the Company	HLE Glascoat Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details	H-106, GIDC Estate, V. U. Nagar - 388121 Dist. Anand, Gujarat Ph. No.: (02692) 236842 to 236845 e-mail id: share@glascoat.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Baroda - 390020 C. No.: 0265-2356573 e-mail id: vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products	NIC Code of the Product*	% to total turnover of the Company
1	Glass-lined Equipment	28299 - Manufacture of other Special Purpose Machinery	39.36%
2	Filtration and Drying Equipment	28299 - Manufacture of other Special Purpose Machinery	41.36%
3	Chemicals	20119 - Manufacture of organic and inorganic chemical compounds n.e.c.	19.28%

* As per National Industrial Classification 2008 (NIC 2008) - Ministry of Statistics & Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company is a partner in M/s H L Equipments, a partnership firm where it holds 80% partnership interest.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/HUF	40290	-	40290	0.6198	9600744	-	9600744	74.2455	73.6257
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3225953	-	3225953	49.6300	-	-	-		-49.6300
e) Banks / FI	-	-	-	-	-	-	-	-	
Sub-total (A) (1):-	**3266243**	**-**	**3266243**	**50.2499**	**9600744**	**-**	**9600744**	**74.2455**	**23.9956**
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total share-holding of Promoter (A) = (A)(1)+(A)(2)	**3266243**	**-**	**3266243**	**50.2499**	**9600744**	**-**	**9600744**	**74.2455**	**23.9956**

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. **Public Shareholding**									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	308657	700	309357	4.7593	191635	600	192235	1.4866	3.2727
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1085670	358200	1443870	22.2134	1076598	315510	1392108	10.7656	-11.4478
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	694649	-	694649	10.6869	839431	-	839431	6.4916	-4.1953
c) Others									
i) NBFCs registered with RBI	1000	-	1000	0.0154	-	-	-	-	-0.0154
ii) HUFs	95441	-	95441	1.4683	119056	-	119056	0.9207	-0.5476
iii) NRIs	52936	13500	66436	1.0221	145798	11900	157698	1.2195	0.1974
iv) OCB	-	497400	497400	7.6523	-	497400	497400	3.8465	-3.8058
v) Transfer to IEPF Authority	124804	-	124804	1.9201	131604	-	131604	1.0177	-0.9023
vi) Unclaimed Shares	800	-	800	0.01231	800	-	800	0.0062	-0.0061
Sub-total (B)(2)	**2363957**	**869800**	**3233757**	**49.7501**	**2504922**	**825410**	**3330332**	**25.7545**	**-23.9956**
Total Public Share-holding (B)=(B)(1)+ (B)(2)	**2363957**	**869800**	**3233757**	**49.7501**	**2504922**	**825410**	**3330332**	**25.7545**	**-23.9956**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**5630200**	**869800**	**6500000**	**100.00**	**12105666**	**825410**	**12931076**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year*
	No. of Shares	% of total Shares of company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of company	%of Shares Pledged / encumbered to total shares	
HLE Engineers Private Limited	3225953	49.6300	-	-	-	-	-49.6300
Himanshu Patel	10000	0.1538	-	3595707	27.8067	-	27.6529
Nilesh Patel	10000	0.1538	-	3639127	28.1425	-	27.9887
Harsh Patel	10290	0.1583	-	1859580	14.3807	-	14.2224
Swara Patel	-	-		292005	2.2582	-	2.2582
Aalap Patel	10000	0.1538	-	188833	1.4603	-	1.3065
Kishori Patel	-	-		16222	0.1254	-	0.1254
Priti Patel	-	-		9270	0.0717	-	0.0717
Total	**3266243**	**50.2499**	-	**9600744**	**74.2455**	-	**23.9956**

(iii) (a) *Change in Promoters' Shareholding- Equity (please specify, if there is no change)*

Sr. No.	Particulars	Shareholding of Promoter Group at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of company	No. of Shares	% of total Shares of company
	At the beginning of the year	32,66,243	50.2499		
Add	Allotment of equity shares (net of equity shares cancelled) pursuant to Scheme of Arrangement	63,34,501	23.9956	96,00,744	74.2455
	At the end of the year	-	-	**96,00,744**	**74.2455**

(iii) (b) *Change in Promoters' Shareholding- Preference (please specify, if there is no change)*

Sr. No.	Particulars	Shareholding of Promoter Group at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of company	No. of Shares	% of total Shares of company
	At the beginning of the year	0	0.00		
Add	Allotment of preference shares pursuant to Scheme of Arrangement	18,56,400	99.00	18,56,400	99.00
	At the end of the year	-	-	**18,56,400**	**99.00**

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

Sr. No.	Name	Shareholding at the beginning of the year		Date/ Benpos date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of co.				No. of Shares	% of total Shares of co.
1	Overseas Pearl Limited	4,97,400	7.65	01.04.19	0	Nil movement during the year		
				31.03.20			4,97,400	3.85
2	Patel Shashikant Purshottam Das	3,53,100	5.43	01.04.19	0	Nil movement during the year		
				31.03.20			35,3,100	2.73
3	Investor Education and Protection	1,24,804		01.04.19				
	Fund Authority- Ministry of Corporate Affairs			04.01.20	7,600	Transfer of Shares vide Operation of Law	1,32,404	1.02
				31.03.20	(800)	Claimed by Shareholders	1,31,604	1.02
				31.03.20			1,31,604	1.02
4	Nilesh Ramesh Ganjwala	100	0.00	01.04.19				
				14.02.20	68,761	Allotment pursuant to Scheme of Arrangement	68,861	0.53
				31.03.20			68,861	0.53
5	Sushmita Ashish Kacholia	0	0	01.04.19				
				14.02.20	49,800	Purchase through Open Market	49,800	0.39
				31.03.20			49,800	0.39
6	Ashish Kacholia	0	0	01.04.19				
				14.02.20	10,000	Purchase through Open Market	10,000	0.08
				28.02.20	38,567		48,567	0.38
				31.03.20			48,567	0.38
7	Neepa K. Shah	0	0.00	01.04.19	0			
				14.06.19	44,341	Purchase/ Sale	44341	0.34
				31.12.19	(40,000)	through Open Market	4,341	0.03
				14.02.20	40,000		44,341	0.34
				31.03.20			44,341	0.34

8	Openxcell Technolabs Pvt. Ltd.	31,184	0.48	01.04.19				
				26.04.19	932	Purchase/ Sale	32,116	0.25
				03.05.19	6,016	through	38,132	0.29
				02.08.19	3,121	Open	41,253	0.32
				18.10.19	4,000	Market	45,253	0.35
				15.11.19	8,935		54,188	0.42
				22.11.19	200		54,388	0.42
				28.02.20	(10,216)		44,172	0.34
				31.03.20			44,172	0.34
9	Kamlesh Navinchandra Shah	16,600	0.26	01.04.19				
				14.06.19	22,900	Purchase/ Sale	39,500	0.31
				31.12.19	(35,000)	through	4,500	0.03
				14.02.20	35,000	Open Market	39,500	0.31
				31.03.20			39,500	0.31
10	Dhanwada Kiran S .	11175	0.17	01.04.19				
				06.05.19	2,965	Purchase/	14,140	0.11
				20.05.19	5,860	Sale through	20,000	0.15
				27.09.19	2,255	Open Market	22,255	0.17
				27.11.19	11,134		33,389	0.26
				31.03.20			33,389	0.26
11	Banco Products India Limited	1,32,700	2.04	01.04.19				
				17.05.19	(1,500)		1,31,200	1.0146
				27.09.19	(50,608)		80,592	0.6232
				11.10.19	(5,543)		75,049	0.5804
				18.10.19	(4,516)	Sale through	70,533	0.5455
				25.10.19	(14,110)	Open Market	56,423	0.4363
				01.11.19	(3,530)		52,893	0.4090
				08.11.19	(37,748)		15,145	0.1171
				15.11.19	(15,145)		0	0.0000
				31.03.20			0	0.00
12	IIFL Securities Limited	67,241	1.03	01.04.19				
				26.04.19	25		67,266	0.5202
				03.05.19	(25)		67,241	0.5200
				31.05.19	190		67,431	0.5215
				07.06.19	(190)		67,241	0.5200
				16.08.19	(67,216)		25	0.0002
				23.08.19	75		100	0.0008
				18.10.19	(50)		50	0.0004
				25.10.19	200		250	0.0019
				01.11.19	(150)		100	0.0008
				08.11.19	(82)	Purchase/ Sale	18	0.0001
				15.11.19	(17)	through	1	0.0000
				31.12.19	549	Open Market	550	0.0043
				10.01.20	(490)		60	0.0005
				17.01.20	(55)		5	0.0000
				24.01.20	26		31	0.0002
				31.01.20	(27)		4	0.0000
				28.02.20	115		119	0.0009
				27.03.20	1,881		2,000	0.0155
				31.03.20	(2,000)		0	0.0000
							0	0.0000
13	Purshottam Karsandasji Tank	31,700	0.49	01.04.19				
				15.11.19	(5,033)	Sale through	26,667	0.2062
				22.11.19	(7,828)	Open Market	18,839	0.1457
				29.11.19	(18,839)		0	0.0000
				31.03.20			0	0.00

(iii) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	Name	Shareholding of Promoter Group at the beginning of the year		Date / Benpos date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding	
		No. of Shares	% of total Shares of co.				No. of Shares	% of total Shares of co.
1	Himanshu Patel	10000 (Equity)	0.15 (Equity)	01.04.19	-			
				18.12.19	3585707 (Equity)	Allotment pursuant to Scheme of Arrangement		
					696254 (Preference)			
				31.03.20	-	-	3,595,707 (Equity) 696254 (Preference)	27.81 (Equity) 37.13 (Preference)
2	Aalap Patel	10000 (Equity)	0.15 (Equity)	01.04.19	-			
				18.12.19	178833 (Equity) 34725 (Preference)	Allotment pursuant to Scheme of Arrangement		
				31.03.20	-		188,833 (Equity) 34725 (Preference)	1.46 (Equity) 1.85 (Preference)
3	Nilesh Patel	10000 (Equity)	0.15 (Equity)	01.04.19	-			
				18.12.19	3629127 (Equity) 704685 (Preference)	Allotment pursuant to Scheme of Arrangement		
				31.03.20	-		3,639,127 (Equity) 704685 (Preference)	28.14 (Equity) 37.58 (Preference)
4	Harsh Patel	10290 (Equity)	0.16 (Equity)	01.04.19	-			
				18.12.19	1849290 (Equity) 359086 (Preference)	Allotment pursuant to Scheme of Arrangement		
				31.03.20	-		1859580 (Equity) 359086 (Preference)	14.38 (Equity) 19.15 (Preference)
5	Vijayanti Punjabi	-	-	01.04.19	-			
				31.03.20	-	Nil movement during the year	-	-
6	Yatish Parekh	-	-	01.04.19	-			
				31.03.20	-	Nil movement during the year	-	-
7	Sandeep Randery	-	-	01.04.19	-			
				31.03.20	-	Nil movement during the year	-	-
8	Jayesh Shah	-	-	01.04.19	-			
				31.03.20	-	Nil movement during the period	-	-
9	Dhwani Shah	10	0.0001	01.04.19				
	Company Secretary			18.12.19	4	Allotment pursuant to Scheme of Arrangement - fractional shares		
			31.03.20	-			14	0.0001
10	Suryakant Dave	0	0	01.04.19				
	Chief Financial Officer (29.07.19 to 31.03.20)		-	31.03.20	-	Nil movement during the period	0	0.000

V. INDEBTEDNESS **(Rs. in lakhs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,973.67	1,536.45	-	8,510.12
ii) Interest due but not over due	9.08	23.21	-	32.29
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	**6,982.75**	**1,559.66**	**-**	**8,542.41**
Change in Indebtedness during the financial year				
• Addition	761.67	2,617.46	-	3,379.13
• Reduction	1,812.30	3,380.79	-	5,193.09
Net Movement in Interest due but not overdue (Note)	25.49	50.13		75.62
Net Change	**(1,025.14)**	**(713.20)**	**-**	**(1,738.34)**
Indebtedness at the end of the financial year				
i) Principal Amount	5,923.05	773.12	-	6,696.17
ii) Interest due but not over due	34.57	73.33	-	107.90
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5,957.61**	**846.45**	**-**	**6,804.07**

Note: The indebtedness does not include the financial liability portion of Rs. 3,022.40 lakhs of 9.5% Redeemable Preference Shares computed under applicable accounting standards.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD) and Whole-time Director (WTD): **(Rs.in lakhs)**

Sr. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total
		Himanshu Patel (MD)	Aalap Patel (WTD)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	79.99	40.11	120.10
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	54.18	-	54.18
5.	Others	-	-	-
	Total (A)	**134.17**	**40.11**	**174.28**
	Ceiling as per the Act			**595.94**

* The Remuneration to the Managing Director(s) and the Whole time Director(s) has been paid in accordance with the provisions of Section 198 of the Companies Act, 2013 read with Schedule V to the Act and the Rules made there under.

B. Remuneration to Non-Executive and Independent Directors

The Non-Executive Directors do not receive any remuneration except remuneration paid to Mr. Nilesh Patel and Mr. Harsh Patel from HLE Engineers Private Limited and sitting fees of Rs. 15,000 per Board Meeting of the Company attended by them. The details of the sitting fees paid to the Non-Executive Directors for attending the Board Meetings have been disclosed in this Report. The sitting fees paid to the Non-Executive Directors for attending the Board Meetings are within the limits specified by the Companies Act, 2013. Except as stated above and elsewhere in this Report, the Non-Executive Directors do not have any other pecuniary relationship with the Company.

(Rs.in lakhs)

Sr. no.	Particulars of Remuneration	Name of Directors				Total
1.	**Independent Directors**	**Vijayanti Punjabi**	**Yatish Parekh**	**Sandeep Randery**	**Jayesh Shah**	
	Fee for attending board/ committee meetings	0.60	0.45	0.60	0.30	
	Independent Directors	**Mahesh Kabutarwala#**				
	Fee for attending board/ committee meetings	0				1.95
2.	**Other Non-Executive Directors**	**Nilesh Patel**	**Harsh Patel**	**Sudarshan Amin***		
	Fee for attending board/ committee meetings	0.60	0.60	0		1.20
	Total (B) = (1+2)					**3.15**

\# resigned w.e.f. 10.05.2019 * resigned w.e.f. 15.07.2019

C. Remuneration to Key Managerial Personnel Other Than Manager/ WTD **(Rs. in lakhs)**

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
		Dhwani Shah	Suryakant Dave (27.07.19 to 31.03.20)	
1.	**Gross salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	6.83	20.83	27.66
	(b) Value of perquisites under Section 17(2) of the Income-tax Act,1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	**Stock Options**	**-**	**-**	**-**
3.	**Sweat Equity**	**-**	**-**	**-**
4.	**Commission**	**-**	**-**	**-**
5.	**Bonus**	**0.11**	**0.52**	**0.63**
	Total	**6.94**	**21.36**	**28.30**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any
A. COMPANY					
Penalty			-- None --		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			-- None --		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			-- None --		
Punishment					
Compounding					

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Date : 20th June, 2020

ANNEXURE TO THE BOARD REPORT

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

A. Details of contracts or arrangements or transactions not at arm's length basis

During the year, the Company hasn't entered into any contracts/ arrangements with any of the related party which are not on arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis

(I)	**Purchase/ Sales of Goods and/ or Services**			
	(a)	Name(s) of the related party and nature of relationship	:	HLE Engineers Private Limited ("HLEP") HLEP was a promoter of the Company prior to the implementation of the Scheme of Arrangement; Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Nilesh Patel and Mr. Harsh Patel - Non-Executive Directors of the Company are the Directors and shareholders of HLEP; Mr. Aalap Patel - Executive Director (Technical) of the Company, is the shareholder of HLEP.
	(b)	Nature of contracts/ arrangements/ transactions	:	Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
	(c)	Duration of the contracts/ arrangements/ transactions	:	12 months
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Period of Transactions: 1st April, 2019 to 31st March, 2020 The maximum value of purchase/ sales of goods/ and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board Approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
	(e)	Date(s) of approval by the *Audit Committee/ Board, if any *Shareholders in 28th AGM of the Company	:	 17th May, 2019 27th July, 2019
	(f)	Amount paid as advances, if any:	:	None
(II)	**Purchase/ Sales of Goods and/ or Services**			
	(a)	Name(s) of the related party and nature of relationship	:	**HN Indigos Private Limited** Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Aalap Patel - Executive Director (Technical) Mr. Nilesh Patel-Non-Executive Director of the Company are the Directors of H N Indigos Pvt.Ltd.; Mr. Harsh Patel - Non-Executive Directors of the Company is Shareholder in H N Indigos Pvt Ltd.
	(b)	Nature of contracts/ arrangements/ transactions	:	Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
	(c)	Duration of the contracts/ arrangements/ transactions	:	12 months
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Period of Transactions: 1st April, 2019 to 31st March, 2020 The maximum value of purchase/ sales of goods/ and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board Approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
	(e)	Date(s) of approval by the Audit Committee/ Board, if any	:	11th February, 2020
	(f)	Amount paid as advances, if any:	:	None
(III)	**Purchase/ Sales of Goods and/ or Services**			
	(a)	Name(s) of the related party and nature of relationship	:	**Yash Speciality Chemicals LLP** Mr. Harsh Patel- Non Executive Director of the Company is Designated Partner in Yash Speciality Chemicals LLP Mr. Nilesh Patel - Non Executive Director of the Company is a Partner in Yash Speciality Chemicals LLP Mr.Himanshu Patel - Chairperson and Managing Director is the father of Mr. Harsh Patel and brother of Mr. Nilesh Patel, Mr. Aalap Patel- Executive Director (Technical) is the cousin of Mr. Harsh Patel and the son of Mr. Nilesh Patel
	(b)	Nature of contracts/ arrangements/ transactions	:	Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
	(c)	Duration of the contracts/ arrangements/ transactions	:	12 months

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

B. Details of material contracts or arrangement or transactions at arm's length basis

	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Period of Transactions: 1st April, 2019 to 31st March, 2020 The maximum value of purchase/ sales of goods/ and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board Approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
	(e)	Date(s) of approval by the Audit Committee/ Board, if any	:	11th February, 2020
	(f)	Amount paid as advances, if any:	:	None
(IV)	**Appointment of Related Party to place of profit**			
	(a)	Name(s) of the related party and nature of relationship	:	**Ms. Bhoomi Aalap Patel** Mr. Aalap Patel- Executive Director (Technical) is the spouse of Ms. Bhoomi Patel; while Mr. Nilesh Patel - Non-Executive Director of the Company is her father-in-law.
	(b)	Nature of contracts/ arrangements/ transactions	:	Appointment of related party to place of profit in the Company
	(c)	Duration of the contracts/ arrangements/ transactions	:	3 years
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Period of Agreement: 1st April, 2020 to 31st March, 2023 The maximum value of consultancy fees paid is as per the terms of agreement and within the limits as permissible and approved by the Audit Committee/ Board.
	(e)	Date(s) of approval by the Audit Committee/ Board, if any	:	11th February, 2020
	(f)	Amount paid as advances, if any:	:	None
(V)	**Purchase/ Sales of Goods and/ or Services**			
	(a)	Name(s) of the related party and nature of relationship	:	**M/s H L Equipments** HLEP was a partner of M/s H L Equipments prior to the implementation of the Scheme of Arrangement. Pursuant to implementation of Scheme of Arrangement, the Company has entered into partnership deed for being a partner in the said entity.
	(b)	Nature of contracts/ arrangements/ transactions	:	Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
	(c)	Duration of the contracts/ arrangements/ transactions	:	12 months
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Period of Transactions: 1st April, 2019 to 31st March, 2020 The maximum value of purchase/ sales of goods/ and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board Approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
	(e)	Date(s) of approval by the Audit Committee/ Board, if any	:	11th February, 2020
	(f)	Amount paid as advances, if any:	:	None

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Date : 20th June, 2020

ANNEXURE TO THE BOARD REPORT

Statement of Disclosure of Remuneration in accordance with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Directors and KMPs	% Increase in remuneration in 2018-19	Ratio of Remuneration to MRE^ for financial year	
		Excl. KMP	Incl. KMP
Managing Director	125.75	48.44	48.25
Executive Director (Technical)	(26.52)	14.48	14.43
Company Secretary	6.23	2.50	2.49
Chief Financial Officer	-	-	-

Median remuneration of employee	% change in median remuneration in
Excl. Remuneration of KMPs	11.11
Incl. Remuneration of KMPs	10.68

$ The remuneration details and employee data of FY 2018-19 and 2019-20 have been taken in accordance with the effective date of Scheme of Arrangement, approved vide NCLT Order dated 25th October, 2016, which is 1st April, 2018.

*Mr. Bipin Thakkar had resigned w.e.f. from 03.08.2018; while Mr. Mahesh Bhave had been appointed w.e.f. 01.09.2018 and resigned w.e.f. 09.03.2019. Further, Mr. Suryakant Dave had been appointed w.e.f. 27.07.2019. Hence, the total percentage increase in the remuneration of the CFO in FY 2019-20 has not been provided.

^ Median Remuneration of Employees

Notes:

The aforesaid ratios and % change figures are rounded off to two decimals.

The aforesaid remuneration of KMPs and employees is based on the annualised cost to the Company.

The Managing Director is paid commission @ 1% of the net profits of the Company as per the Agreement executed with him.

The Non-Executive and Independent Directors do not receive remuneration except sitting fees for attending the Board Meetings.

During the financial year 2019-20, no employee received remuneration in excess of the highest paid directors.

The Company pays remuneration to the Executive Directors, Key Managerial Personnel and other employees in accordance with its Remuneration Policy.

Other Disclosures

Total no. of Permanent Employees on Company's roll as on 31.03.2020	Excl. KMPs	Incl. KMPs
	529	533

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

Particulars	Average percentile change in salary in the financial year 2019-20
Average Salary of the employees (excl KMP)	5.83
Average Salary of KMPs*	50.32
Justification/ information of exceptional circumstances for increase in managerial remuneration	The increase in the remuneration of KMPs is predominantly on account of (a) higher commission paid to the Managing Director commensurate with the increase in net profits in accordance with the terms of his appointment, and (b) impact of the Scheme and the consequent integration of the business undertakings.

- As stated in note to median remuneration provided above, Mr. Bipin Thakkar had resigned w.e.f. from 03.08.2018; while Mr. Mahesh Bhave had been appointed w.e.f. 01.09.2018 and resigned w.e.f. 09.03.2019. Further, Mr. Suryakant Dave had been appointed w.e.f. 27.07.2019. Hence, the salary of details of CFO haven"t been taken into consideration for computation of average percentile change of remuneration of KMPs for FY 2019-20 for proper reflection of the data.

By the Order of the Board of

HLE Glascoat Limited

(formerly Swiss Glascoat Equipments Limited)

Sd/-

Date : 20th June, 2020

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

ANNEXURE TO THE BOARD REPORT

Details of the top 10 employees (apart from Key Managerial Personnel) of the Company in terms of remuneration drawn as required under with Section 134 of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Names of Employees	Designation	Remun-eration (Rs.)	Nature of Employ-ment Contrac-tual or otherwise	Qualifications & Experience	Date of Commence-ment of employ-ment	Age (Yrs.)	Last employ ment before joining the Com-pany	% of shares held in the Company	Relation-ship with any Director or manager of the Company
1	Ashly Lemos	AGM Marketing	22,81,916	Permanent	BE Mechanical	8th January, 2008	49	Joflow Centrifuges Pvt Ltd	0	None
2	Bharat Dhanak	VP Marketing	39,33,620		B.com , PG (IT)	5th October, 2011	42	Standard Radiator Pvt Ltd	0.00077	
3	Harshal R. Barot	Executive Assistant to Director	36,72,156		BE Mechanical	18th January 2018	40	GE Power India Ltd	0	
4	Urvi R. Shah	AGM F&A	22,77,876		CA	31st August 2018	39	HNG Float Glass Ltd	0	
5	Hitesh J. Mistry	DGM - Export Marketing	25,43,760		B.Tech, MBA	7th September 2015	46	Hind Offshore Pvt. Ltd.	0	
6	Darshankumar K. Patel	AGM - Projects	23,55,252		Diploma Electrical Engineering	1st February 2016	54	Heerasons Chemicals Pvt. Ltd.	0	
7	L V Subbarao	Sr. GM - Operations	25,39,020		BE Mechanical	8th July 2017	54	Praj Industries Ltd.	0	
8	Gopal S. Tiwari	VP Operations	40,27,152		BE Mechanical	2nd July 2018	50	GEI Industries Ltd.	0	
9	Nilesh K. Parekh	GM - HR	34,18,884		MSW, B.Sc	21st January 2019	49	Coromandel International Ltd	0	
10	Pritesh S. Patel	DGM - Production	31,99,476		M.Sc	5th February 2016	45	Chirag Organics Pvt. Ltd.	0	

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Date : 20th June, 2020

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

ANNEXURE TO THE BOARD REPORT

DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20

1. The Company believes in enriching the Society and the surrounding environment and it has accordingly formulated a policy related to CSR and an extract of the CSR Policy is available on the Company's website: www.hle-glascoat.com under Corporate Social Responsibility section. The website also provides details related to the Composition of the CSR Committee and the CSR activity.

   The following are the areas of emphasis for CSR activities under the CSR Policy:

   a. The activities carried out under this CSR policy will be in the areas as per Schedule VII to the Companies Act, 2013.

   b. These activities will be carried out directly and through implementing agencies.

   c. Surplus arising out of the CSR Projects/ programs/ activities, if any, shall not form part of business profits.

2. 2. The composition of the CSR Committee during the Financial Year 2019-20 was as under:

Sr. No.	Name of Committee Member	Designation
1.	Mr. Sandeep Randery, Independent Director	Chairperson
2.	Ms. Vijayanti Punjabi, Independent Director	Member
3.	Mr. Aalap Patel, Executive Director (Technical)	Member

3. Average Net Profit for last 3 financial years Rs. 1,338.55 lakhs
4. Prescribed CSR amount to be spent for the 2019-20 Rs. 26.77 lakhs
   (2% of the average net profit)
5. Details of CSR spent during 2019-20:
   (a) Total amount to be spent during 2019-20 Rs. 17.00 lakhs
   (b) Amount unspent, if any: Rs. 9.77 lakhs
   (c) Manner in which amount spent:

Sr. No.	Particulars	Details related to CSR Project
1	CSR Project or Activity Identified	construction of homes for financially backward classes
2	Sector in which the Project is covered	rural development projects
3	Projects or Programs	Gram Aavas Yojna
4	Amount Budget Project-wise	Rs. 26.77 lakhs
5	Actual Amount Spent	Rs. 17.00 lakhs
6	Cumulative Expenditure up to the Reporting Period	Rs. 17.00 lakhs
7	Amount Spent: Direct or through Implementing Agency	Yashaswati Foundation*

*Note: Yashaswati Foundation has been incorporated under Section 8 of the Companies Act, 2013 and is founded by the promoters of the Company for the specific purpose of implementing identified corporate social responsibility projects.

6. Reasons of not expending allocated CSR fund for financial year 2019-20 in full:

   The Company had committed the CSR allocation for the identified projects. However the actual CSR spending was lower on account of lower disbursements by the implementing agency. This shortfall is likely to be compensated by the spending in the current financial year 2020-21.

7. The implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives of the Company.

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-	**Sd/-**
Mr. Sandeep Randery	**Mr. Himanshu Patel**
Chairperson-CSR Committee	**Chairperson and Managing Director**
(DIN: 07663581)	(DIN: 00202312)

Date : 20th June, 2020

ANNEXURE TO THE BOARD REPORT

SALIENT FEATURES OF THE POLICY GOVERNING APPOINTMENT OF THE DIRECTORS

A. OBJECTIVE:

The operations of the Company are managed under the direction of the Board and within the framework set by the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and the Articles of Association of the Company. The Directors are also governed by Internal codes / procedures prescribed within the Company from time to time.

This Policy lays down the framework (formulated in accordance with the applicable laws of land) which acts as a guide for the appointing authority for appointment of the Directors on the Board.

This Policy shall be framed and implemented by the Nomination & Remuneration Committee, subject to approval by the Board

B. GUIDING PRINCIPLES FOR APPOINTMENT OF THE DIRECTORS:

The Nomination & Remuneration Committee (NRC) has been constituted by the Board so as to fulfil the aforesaid purpose. One of the main role of the said Committee as stated in its Charter, is to identify the persons who are qualified to become Directors in accordance with the criteria laid down herein and recommend their appointment to the Board.

The Company's Board shall comprise of Directors possessing diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.

The Committee shall select those persons as the Directors of the Company who have willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

A Director shall possess the highest personal and professional ethics, integrity and values. They shall be able to balance the legitimate interests and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

C. APPOINTMENT OF DIRECTORS:

At any point of time, the Board Composition of the Company shall be in accordance with the Charter of the Board of Directors formulated as per the provisions of the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed with the BSE Ltd.

The person appointed/ to be appointed as a Director shall perform his duties in accordance with that stated in the Charter of the Board of Directors and shall act within the framework of that Charter, the Act and other applicable laws.

1. Criteria for Appointment of Directors:

A Director should possess few Basic Qualities stated as follows:

i) Emotional Balance
ii) Business Judgement
iii) Business Awareness
iv) Representational Qualities
v) Problem Solving and Innovation

A person to be appointed as a Director shall not possess any Disqualifications as stipulated in Section 164 of the Companies Act, 2013

2. Manner of Appointment/ Re-appointment/ Resignation/ Removal of Directors:

The Committee shall appoint/ re-appoint the Director on the Board in accordance with the provisions of Sections 152 to 169 and other applicable provisions of the Companies Act, 2013 and the Rules made there under.

D. APPOINTMENT OF EXECUTIVE (MANAGING/ WHOLE-TIME) DIRECTORS

1. Criteria for Appointment of Executive Directors:

The Policy reiterated the definitions of the Managing Director and Whole-time Director as stated in the Companies Act, 2013. Thereafter it specifies the scope of work and additional criteria for appointment of a person as the Managing Director/ Executive Director.

2. Manner of Appointment of the Executive Directors:

Section 196 of the Companies Act, 2013 along with Part I of the Schedule V thereto govern the provisions relating to the appointment of the Executive Directors. In line with the provisions of sections 196 to 200 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

E. APPOINTMENT OF INDEPENDENT DIRECTORS

1. Criteria for Appointment of Independent Directors:

Criteria for appointment of an Independent Director are specified in accordance with Section 149(6) of the Companies Act, 2013 and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It also specifies additional qualifications required for a person to be appointed as an Independent Director.

2. Manner of Appointment/ Re-appointment/ Resignation/ Removal of the Independent Directors:

- Sub-sections (10) to (13) of Section 149 of the Companies Act, 2013, Schedule IV thereto applicable Rules framed there under govern the manner of appointment of the Independent Directors.
- The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- The Letter of appointment along with detailed profile of the independent directors shall also be disclosed on the Company's website and the Stock Exchange not later than one working day from date of appointment.

3. **Re-appointment:**

   The re-appointment of independent director shall be on the basis of report of performance evaluation and in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. **Resignation or removal:**

   The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

   In general, the Managing Director/ Executive Directors and Independent Directors are appointed vide agreement designed within the aforesaid framework between the individual and the Company. Further, such Directors cannot be appointed for more than 5 consecutive years at a time.

F. DISCLOSURES

The Company shall provide following information to shareholders:

1. Appointment of a new director or re-appointment of a director.
2. Non-executive directors shall be required to disclose their shareholding (both own or held by/ for other persons on a beneficial basis) in the listed Company in which they are proposed to be appointed as directors, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such director.
3. Disclosure of resignation of directors

G. AMENDMENT

The Nomination and Remuneration Committee reserves its right to amend or modify this Policy in whole or in part, subject to approval by the Board, at any time consequent upon any amendment to applicable laws of land.

Aforesaid Policy is available on the Company's website: www.hle-glascoat.com in Investors Guide section

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SALIENT FEATURES OF THE REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

OBJECTIVE

The object of this Remuneration Policy is to make HLE Glascoat Limited (formerly Swiss Glascoat Equipments Limited) a desirable workplace for competent employees and thereby secure the Company's competitiveness, future development and acceptable profitability.

The Remuneration Policy for the Board Members reflects the interests of the shareholders and the Company, taking into consideration any specific matters, including the level in comparable companies, the assignments and the responsibility undertaken, Board Members' required competencies, effort and the scope of the board work, including the number of meetings the remuneration of other employees of the Company and thereby aim to secure coordinated and fair Remuneration Policy for the Company.

This Policy shall be framed and implemented by Nomination & Remuneration Committee, subject to approval by the Board.

The policy is built on the following principles:

Transparent – the policy and its execution are clear and practical

Alignment – the remuneration policy is aligned with the policy for other employees of the Companies

Long-term – the incentives focus on long-term value creation

Compliant –the standards of good corporate governance has been adopted

Simple – the policy and its execution are as simple as possible and easily understandable to all stakeholders

The Committee takes cognizance of market norms and practices, as well as the additional responsibilities placed on Board members by new legislation and corporate governance principles.

This Policy delineating the structure of Remuneration package including the basic salary, allowances, bonus and perquisites to the Directors and the Board shall be in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the BSE Ltd as amended from time to time.

GUIDELINES FOR REMUNERATION TO THE DIRECTORS:

The total managerial remuneration payable by HLE Glascoat Limited to its directors, including managing director and whole-time director, is payable in accordance with Sections 197 and 198 of the Companies Act, 2013.

REMUNERATION TO THE EXECUTIVE DIRECTORS:

The Executive Management of the Company includes the Executive Directors- Managing & Whole-time Directors who are employed under executive service contracts as set by the Board of Directors.

The Nomination & Compensation Committee submits proposals concerning the remuneration of the Senior Management Executives and ensures that the remuneration is in line with the conditions in comparable companies. The proposals are submitted for approval in a Board Meeting.

ANNEXURE TO THE BOARD REPORT

1. **Remuneration to Managing Director/ Whole-time Directors:**

   Executive directors are subject to the Company's standard terms and conditions of employment. A written employment contract shall be prepared between the Company and the Managing Director/ Whole-time Directors, containing details of his main duties and responsibilities. The amount of basic salary and other remuneration shall take into account his education, working experience and previous employment. Other details of his remuneration, such as bonus, allowances and perquisites, terms of notice and all payments due to the Managing Director/ Whole-time Directors upon termination of the contract, etc., shall be mentioned in the employment contract.

   The basic salary of the Managing Director/ Whole-time Directors may be revised annually considering their performance, the development of salaries for similar positions in comparable and the general performance and operations of the Company. The Nomination & Remuneration Committee recommends any revision in remuneration to the Board.

The Executive Directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

2. Bonuses and Incentives

The Executive Directors may be paid cash bonuses or incentives directly related to the working performance of the individual employees, their status and responsibility, the economic performance of the Company, the achievements of certain operational goals, including reaching certain budget targets. Such bonuses or incentives can only be offered to employees who are still working for the Company at the time when the bonuses are due for payment. Bonus payments are always subject to the applicable laws of land.

3. Personal benefits

Executive Directors have access to a number of work-related benefits, including Company car, free telephony, broadband at home, and work-related newspapers and magazines. The extent of individual benefits is negotiated with each individual member of the Executive Management.

Where any insurance is taken by a Company on behalf of its Executive Directors for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

REMUNERATION TO THE NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Company's policy on remuneration for non-executive directors is that, as a general guideline, shall:

- be performance-related and market-related (having regard to number of meetings attended by non-executive directors of companies of similar size and structure to the Company and operating in similar sectors); and
- not linked to Company's share price or the Company's performance.

All fees /compensation, if any paid to Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors within the limits stipulated by law.

The Company shall pay for all travel and accommodation expenses incurred by directors on official visits for Company purpose.

No severance fees is paid to the Non-Executive Directors on consequent to retirement or resignation or any other circumstances.

The Companies Act, 2013 expressly disallows independent directors from obtaining stock options and remuneration other than sitting fees and reimbursement of travel expenses for attending the board and other meetings. However, the Company may pay to them any Profit-related Commission, subject to the approval of the shareholders. The reason behind it to prevent personal financial nexus with the Company and to safeguard their independence.

APPROVAL OF THE REMUNERATION

The remuneration payable to the directors of a Company, including any managing or whole-time director or manager, shall be determined, in accordance with and subject to the provisions of this section, either by the articles of the Company, or by a resolution or, if the articles so require, by a special resolution, passed by the Company in general meeting and the remuneration payable to a director determined aforesaid shall be inclusive of the remuneration payable to him for the services rendered by him in any other capacity as stipulated in the Companies Act, 2013.

The remuneration payable to the Senior Management Executives shall be approved by the Board of Directors, on recommendation of the Nomination & Remuneration Committee.

COMPENSATION FOR LOSS OF OFFICE

In line with the Companies Act, 2013, a Company may make payment to a managing or whole-time director or manager, but not to any other director, by way of compensation for loss of office, or as consideration for loss of office of for retirement from office or in connection with such loss or retirement.

No Senior Management Executive shall be paid by the Company either by way of compensation for loss of office, or as consideration for loss of office of for retirement from office or in connection with such loss or retirement.

RECOVERY OF REMUNERATION IN CERTAIN CASES

Without prejudice to any liability incurred under the provisions of the Companies Act, 2013 or any other law for the time being in force, where a Company is required to re-state its financial in certain cases, statements due to fraud or non-compliance with any requirement under this Act and the rules made there under, the Company shall recover from any past or present managing director or whole-time director or manager or Chief Executive Officer (by whatever name called) who, during the period for which the financial statements are required to be re-stated, received the remuneration (including stock option) in excess of what would have been payable to him as per restatement of financial statements.

DISCLOSURES

A notice convening Board or general meeting for considering the appointment of the Directors & Key Managerial Persons shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any.

The Company shall provide disclosures as required by the applicable provisions of the Companies At, 2013 and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

AMENDMENT

The Nomination & Remuneration Committee reserves its right to amend or modify this Policy in whole or in part, subject to approval by the Board, at any time consequent upon any amendment to applicable laws of land.

Aforesaid Policy is available on the Company's website: www.hle-glascoat.com in Investors Guide section

ANNEXURE TO THE BOARD REPORT

CORPORATE GOVERNANCE REPORT

Forming part of the Board Report

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

At HLE Glascoat Limited (formerly Swiss Glascoat Equipments Limited) (the "Company"), Corporate Governance is fundamental to the business and core to its existence. Your Company believes that the corporate governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals and ensuring interest of all the stakeholders. Your Company firmly believes in core ethical values based on transparency, integrity, professionalism and accountability. The Company adheres to these ethical values by ensuring transparency in all its operations, making timely disclosures and enhancing stakeholders' value. Your Company believes that the good governance process has a positive impact on the Company's reputation, employees, customers and stakeholders at large.

Your Company has adopted best of corporate governance practices and is based on following principles:

- Strong, professional, independent Board with vast knowledge and varied experience.
- Accountability for functioning and transparency in conduct.
- Compliance with applicable laws and regulations.
- Independent verification of financial reporting.
- Value creation and wealth maximization for stakeholders.

The Report on Corporate Governance, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as under:

BOARD OF DIRECTORS AND BOARD MEETINGS

The Company has a balanced structure of the Board which is in conformity with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2020, the Board comprises of Eight Directors (six being Non-Executive Directors, of which four Directors are Independent Directors). The Non-Independent Directors include the Chairperson & Managing Director and the Whole-time Director. The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

➢ **Detailed information on the Board of Directors and their directorships held in other companies and other details is as under:**

Name of Directors	Category of Directorship	Inter-se relation with other Directors	No. of Public & Private Companies# in which Directorships held##	Names of Listed Companies (excluding your company) in which Directorships held		No. of Committees^ in which appointed as a Member (M)/ Chairperson (C)	Committee Details+ in other Public Listed Companies in which Member (M) or a Chairperson (C)
				Names of other Listed Companies	Category of Directorships		
A	B	C	D	E	F	G	H
Mr. Himanshu Patel	CMD (P)**	Father of Harsh Patel, Brother of Nilesh Patel, Uncle of Aalap Patel	5	-	-	-	-
Mr. Aalap Patel	ED (Technical) (P) **	Son of Nilesh Patel, Nephew of Himanshu Patel, First cousin of Harsh Patel	2	-	-	3 (M)	-
Mr. Nilesh Patel	NED (P) **	Father of Aalap Patel, Brother of Himanshu Patel, Uncle of Harsh Patel	5	-	-	-	-
Mr. Harsh Patel	NED (P) **	Son of Himanshu Patel, Nephew of Nilesh Patel, First cousin of Aalap Patel	4	-	-	1(M)	-
Mr. Sudarshan Amin@@	NED**	None	1	-	-	-	-
Ms. Vijayanti Punjabi	NED (I) **	None	1	-	Independent Director	1 (C) 1 (M)	-
Mr. Mahesh Kabutarwala@	NED (I) **	None	9	-	Independent Director	1 (M)	-
Mr. Yatish Parekh	NED (I) **	None	1	-	Independent Director	1 (C) 1 (M)	-
Mr. Sandeep Randery	NED (I) **	None	1	-	Independent Director	2 (C) 1 (M)	-
Mr. Jayesh Shah	NED (I) **	None	2	-	Independent Director	3 (M)	-

@ resigned with effect from 10th May, 2019

@@ resigned with effect from 15th July, 2019

** CMD (P) – Chairperson and Managing Director (Promoter), ED (Technical) (P) - Executive Director (Technical) (Promoter), NED (P) - Non-Executive Director (Promoter), NED (I) - Non-Executive Director (Independent), NED -Non-Promoter, Non-Independent, Non-Executive Director.

none of the Directors are the Chairperson in any of the companies, except mentioned above.

no. of companies in which directorships is held is considered after including your Company, and excluding companies incorporated under Section 8 of the Companies Act, 2013 and foreign companies.

^ includes Audit, Stakeholders Relationship, Nomination & Remuneration and Corporate Social Responsibility Committees of the Company.

+ includes Audit, Stakeholders Relationship, Nomination & Remuneration and Corporate Social Responsibility Committees of other public companies.

➢ **Information related to the Board Meetings with regards to their dates and attendance of each of the Directors thereat and in last Annual General Meeting held on 27th July, 2019:**

The Board of Directors met 4 (four) times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the Listing Regulations: 17th May, 2019, 27th July, 2019, 9th November, 2019, and 11th February, 2020.

Names of Directors	No. of Board Meetings attended	Sitting Fees paid (Rs. in lakhs)	Whether Attended Last AGM
Mr. Himanshu Patel	3	-	No
Mr. Aalap Patel	4	-	Yes
Mr. Nilesh Patel	4	0.60	Yes
Mr. Harsh Patel	4	0.60	Yes
Mr. Sudarshan Amin@@	0	0.00	N.A.
Ms. Vijayanti Punjabi	4	0.60	Yes
Mr. Mahesh Kabutarwala@	0	0.00	N.A.
Mr. Yatish Parekh	3	0.45	Yes
Mr. Sandeep Randery	4	0.60	Yes
Mr. Jayesh Shah	2	0.30	No

@resigned with effect from 10th May, 2019
@@resigned with effect from 15th July, 2019

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. A notice of the Board Meeting is circulated well in advance with the agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision. The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

➢ **Equity Shareholding of the Non-Executive Directors in the Company as on 31st March, 2020 is as under:**

Name of the Non-Executive/ Independent Director	Number of shares held	Name of the Non-Executive/ Independent Director	Number of shares held
Mr. Nilesh Patel	3639127	Ms. Vijayanti Punjabi	Nil
Mr. Harsh Patel	1859580	Mr. Yatish Parekh	Nil
Mr. Sandeep Randery	Nil	Mr. Jayesh Shah	Nil

➢ **Details of Familiarisation Programmes imparted to Independent Directors**

A formal letter of appointment is issued to the Independent Director at the time of his/ her appointment, which inter alia explains the role, function, duties and responsibilities expected from him/ her as a Director of the Company. The Independent Director is also explained in detail, the compliances required from him/ her under the Companies Act, 2013, the Listing Regulations and other various statutes as a Director and Independent Director and an affirmation is also obtained.

The Independent Director is also informed about the business model, nature of industry, operations and working of the Company as a whole.

Further, on an ongoing basis as a part of Agenda of Board/ Committee Meetings, presentations are regularly made to the Independent Directors on various matters covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, and significant changes that may affect the Company, so that they can take informed decision and contribute significantly in the Committee and the Board meetings.

The details are available on our website: www.hle-glascoat.com in Investors Guide/ Familiarisation Programmes for Independent Directors.

➢ **Key Skills, Competency and Expertise of the Board**

The Board of the Company comprises of qualified members who bring in required skills, competency and expertise that allow them to make effective contribution to the Board and its Committees.

The following skills/ expertise/ competencies have been identified for the effective functioning of the Company and are currently available within the Board members:

- Business Leadership
- Operational Experience
- Strategic Planning
- Industry Experience and Innovation
- Financial, Regulatory/ Legal and Risk Management

- Corporate Governance
- Sales and Marketing
- Human Resources and Administration skills

While all the Board members possess the skills identified, their area of core expertise is given below:

Name of Directors	Area of Expertise	Name of Directors	Area of Expertise
Mr. Himanshu Patel	*Business Leadership *Operational Experience *Strategic Planning *Industry Experience and Innovation *Corporate Governance *Human Resources and Administration skills *Sales and Marketing	Ms. Vijayanti Punjabi	*Human Resources and Administration *Strategic Planning *Corporate Governance
Mr. Aalap Patel	*Business Leadership *Operational Experience *Strategic Planning *Industry Experience and Innovation *Corporate Governance *Human Resources and Administration skills *Sales and Marketing *Financial, Regulatory/ Legal and Risk Management	Mr. Yatish Parekh	*Financial, Regulatory/ Legal and Risk Management *Corporate Governance *Strategic Planning
Mr. Nilesh Patel	*Business Leadership *Operational Experience *Strategic Planning *Industry Experience and Innovation *Financial, Regulatory/ Legal and Risk Management *Sales and Marketing *Human Resources and Administration skills	Mr. Sandeep Randery	*Financial, Regulatory/ Legal and Risk Management *Corporate Governance *Strategic Planning
Mr. Harsh Patel	*Business Leadership *Operational Experience *Strategic Planning *Industry Experience and Innovation *Sales and Marketing *Financial, Regulatory/ Legal And Risk Management	Mr. Jayesh Shah	*Operational Experience *Sales and Marketing *Human Resources and Administration skills

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively.

INDEPENDENT DIRECTORS

All the Independent Directors on the Board are highly experienced, competent and renowned persons in their respective fields of expertise. They actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

Independent Directors Meeting

The Independent Directors Meeting was held on 11th February, 2020 to review:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of the Executive Director and the Non-Executive Director;
- the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- the compliance of the Code of Conduct framed by the Company.

Mr. Yatish Parekh - the Lead Independent Director was the Chairperson of the Meeting of Independent Directors.

Attendance of Independent Directors in Independent Directors Meeting held on 11th February, 2020:

Independent Directors	No. of Meetings held	Meetings attended
Mr. Yatish Parekh	1	1
Ms. Vijayanti Punjabi	1	1
Mr. Sandeep Randery	1	1
Mr. Jayesh Shah	1	1

- The Board further confirms that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- Reason for resignation of Independent Director in detail, before expiry of his term

  Mr. Mahesh Kabutarwala (DIN 00110137) erstwhile Independent Director and Mr. Sudarshan Amin (DIN 01828862), erstwhile Non-Executive Director of the Company resigned from the Board of the Company as the Director due to personal reasons with effect from 10th May, 2019 and 15th July, 2019 respectively. Further, the erstwhile Directors have provided a confirmation to the Board related to existence of no other material circumstances except that cited in their respective resignation letters.

COMMITTEES AND COMMITTEE MEETINGS

Audit Committee

The Audit Committee of the Company comprises of three Independent Directors and one Executive Director. All the Members of the Audit Committee are financially literate and Mr. Yatish Parekh, Independent Director of the Company is the Chairperson of the Committee and is a qualified Chartered Accountant and has relevant accounting and financial management expertise and experience.

The Company Secretary acts as the Secretary of the Audit Committee.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The terms of reference of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, and those as may be referred by the Board of Directors. The brief terms of reference of the Audit Committee includes:

- To oversee the financial reporting process and disclosure of its financial information;
- To review the quarterly, half-yearly and annual financial results and the auditor's report thereon before submission to the Board;
- Recommendation for appointment, remuneration and terms of appointment of the Auditors of the Company;
- Review the adequacy of internal financial controls and risk management systems, including cyber security, the scope and performance of the internal audit function;
- Review of related party transactions;
- Reviewing with management performance of internal and statutory auditors and fixing their remuneration;
- Holding discussions with Statutory Auditors on the nature and scope of audit, ensure compliance with all the applicable Accounting Standards;
- Compliance with the listing and other legal/ statutory requirements and the Company's financial and risk management policies;
- Review the functioning of the Whistle Blower/ Vigil mechanism;
- Review and suggest changes in the Risk Management Policy and also to oversee the functioning of the Risk Management Policy;
- Investigate into any matters referred to by the Board.

During the financial year, the Audit Committee has met 4 (four) times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the Listing Regulations: 17th May, 2019, 27th July, 2019, 9th November, 2019, and 11th February, 2020 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Yatish ParekhIndependent	Director	Chairperson	3
Mr. Aalap Patel	Executive Director (Technical)	Member	4
Mr. Sandeep Randery	Independent Director	Member	4
Mr. Jayesh ShahIndependent	Director	Member	2

All the recommendations made by the Audit Committee during the financial year under review were accepted by the Board.

Stakeholders Relationship Committee

Stakeholders' Relationship Committee is entrusted with responsibilities to resolve grievances of the stakeholders including but not limited to the suppliers, customers, shareholders or any party dealing with the Company. The Stakeholders Relationship Committee comprises of two Independent Directors, one Non-Executive Director and one Executive Director.

The brief terms of reference of the Stakeholders Relationship Committee includes:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the financial year, the Stakeholders Relationship Committee has met 2 (Two) times on 17th May, 2019 and 9th November, 2019 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Sandeep Randery	Independent Director	Chairperson	2
Mr. Jayesh Shah^	Independent Director	Member	1
Mr. Aalap Patel	Executive Director (Technical)	Member	2
Mr. Harsh Patel	Non-Executive Director	Member	2
Mr. Mahesh Kabutarwala*	Independent Director	Member	N.A.

*resigned as Director with effect from 10th May, 2019
^appointed as Committee Member with effect from 17th May, 2019

M/s Link Intime India Private Limited, the Registrar and Share transfer Agent of the Company attend to day-to-day requests and the grievances of the shareholders under due supervision of Ms. Dhwani Shah, the Company Secretary and Compliance Officer of the Company . The Stakeholders Relationship Committee regularly oversees the functions of the Compliance Officer and systems and manner of investor grievance handling and resolving the same expeditiously.

The Company as on 31st March, 2020 had 5537 members. The status of the complaints received by the Company during the year under review is as under:

- **As on 1st April, 2019:** Nil
- **Received during the year:** Nil
- **Resolved during the year:** Nil
- **Outstanding as on 31st March, 2020:** Nil

During financial year 2019-20, the Company has satisfactorily responded and resolved the various requests of the shareholders.

Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee in compliance with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, and those as may be referred by the Board of Directors. The Nomination and Remuneration Committee comprises of three Independent Directors.

Brief terms of reference of the Nomination and Remuneration Committee are as under:

- To formulate criteria for determining qualifications, positive attributes and independence of directors;
- Lay down the policy and criteria for identifying the persons who can be appointed as Directors and Senior Management;
- To carry out evaluation of every Director's performance;
- To lay down policy for diversity of the Board;
- To recommend to the Board the appointment and removal of Directors and Senior Management;
- recommend to the Board, remuneration, in whatever form, payable to senior management; and
- Devise policy relating to remuneration to Directors, Key Managerial Personnel and Senior Management and ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

During the financial year, the Nomination and Remuneration Committee has met 3 (three) times during the year on 27th July, 2019, 9th November, 2019 and 11th February, 2020 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Ms. Vijayanti Punjabi	Independent Director	Chairperson	3
Ms. Yatish Parekh	Independent Director	Member	2
Mr. Jayesh Shah	Independent Director	Member	2

Performance evaluation criteria for Independent Directors:

Some of the criteria for evaluation of independent directors on basis of which the Board of Directors carries out the annual performance evaluation of the Independent Directors, are as under:

- Attendance and quality and value of contribution of the Independent Directors at the Meetings;
- Awareness about the significant information relating to the Company and the industry in which the Company operates;
- Contribution to development of strategy and risk management;
- Awareness of the latest developments in the areas of corporate governance framework, financial reporting and industry and market conditions; and
- Communication and relations with other Board Members and Senior Management.

Nomination and Remuneration Policy

The Company has framed the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 and salient features of the same is set out as Annexure to the Board Report.

The details relating to the remuneration of Directors are as under:

(i) The Non-Executive Directors do not receive any remuneration except remuneration paid to Mr. Nilesh Patel and Mr. Harsh Patel from HLE Engineers Private Limited and sitting fees of Rs.15,000 per Board Meeting of the Company attended by them. The details of the sitting fees paid to the Non-Executive Directors for attending the Board Meetings have been disclosed in this Report. The sitting fees paid to the Non-Executive Directors for attending the Board Meetings are within the limits specified by the Companies Act, 2013. Except as stated above and elsewhere in this Report, the Non-Executive Directors do not have any other pecuniary relationship with the Company. The Company has uploaded the extract of the Policy for Remuneration of Directors of the Company: www.hle-glascoat.com in Investors Guide/ Company Policies, which includes the criteria for making payments to the Non-Executive Directors.

(ii) The Company pays remuneration to the Executive Directors within the limits specified in Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration (excluding applicable taxes) paid by the Company to the Executive Directors for the year 2019-20 are given below:

(Rs. in lakhs)

Name of Director	Gross Salary Including Allowances	Bonus	Commission	TOTAL
Mr. Himanshu Patel	79.99	0	54.18	**134.16**
Mr. Aalap Patel	40.11	0	-	**40.11**
TOTAL	**120.10**	**0**	**54.18**	**174.28**

Note:

(a) The abovementioned Directors are entitled to Bonus, Allowances and Perquisites as per the agreements entered into with them.

(b) The appointment and remuneration of the Directors of the Company is governed by the Company's policies framed in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

(c) The tenure of the contract of service entered into by the Company with its Executive Directors is for a period of 3 (three) years with effect from 31st December, 2019, which can be terminated by either party with at least 6 (Six) months' notice period in writing to the other party. No severance fee is payable by the Company on termination of the agreement(s).

(d) The Company does not have any ESOP Scheme.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted with a commitment towards continual improvement of the society at large. The CSR Committee comprises of two Independent Directors:

The Role of the CSR Committee is as under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to the said Schedule;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Ensure disclosure of the CSR Policy in the Board Report and on the Website of the Company;
- Ensure activities as included in the CSR Policy are undertaken and are monitored regularly; and
- Ensure the CSR spend is made in terms of Section 135(5) of the Companies Act, 2013.

During the financial year, the CSR Committee has been met 3 (three) times during the year on 17th May, 2019, 9th November, 2019 and 11th February, 2020 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Sandeep Randery	Independent Director	Chairperson	3
Ms. Vijayanti Punjabi	Independent Director	Member	3
Mr. Aalap Patel	Executive Director (Technical)	Member	3

The Policy on Corporate Social Responsibility of the Company is available on Company's website: www.hle-glascoat.com in Corporate Social Responsibility section.

CODES OF CONDUCT

The Board has laid down a Code of Conduct for Professional Ethics for all the Board Members and the Senior Management Personnel of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the Code during the financial year 2019-20. The Managing Director of the Company has given Declaration to the Company regarding the affirmation, which is annexed hereto and forms part of this Annual Report.

The Company has also adopted the Code for Prevention of Insider Trading and Code for Fair Disclosures and Conduct in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the aforesaid Codes adopted by the Company are available on the Company's website: www.hle-glascoat.com in Investors Guide/ Codes of Conduct.

GENERAL BODY MEETINGS

(a) Details of location and time of last three Annual General Meetings (AGM) and Extra-ordinary General Meeting (EGM) of the Company are given below:

Financial Year- Type of General Meeting	Date	Time	Location	Details of Special Resolution Passed which were approved by the Members with requisite majority
2019-20 - EGM	23rd August, 2019	02.00 P.M.	Registered Office at H-106, GIDC Estate, Vitthal Udyognagar - 388 121	a. Resolution approving Composite Scheme of Arrangement under Sections 230 to 232 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 and the clauses of the Memorandum and Articles of Association of Swiss Glascoat Equipments Limited to the arrangement embodied in the Composite Scheme of Arrangement involving Demerger and transfer of the Operating Business of HLE Engineers Private Limited to Swiss Glascoat Equipments Limited and Amalgamation of Yashashvi Agrochemical Private Limited with HLE Engineers Private Limited and their respective shareholders, secured creditors and Unsecured creditors.
2018-19- AGM	27th July, 2019	12.00 P.M.		a. Limit of Borrowings under Section 180(1)(c) of the Companies Act, 2013. b. Approval of transactions with HLE Engineers Private Limited c. Approval for remuneration to Managing Director and Whole-Time Director of the Company exceeding 5% of the net profits of the Company

2017-18- AGM	03rd August, 2018	02.30 P.M.	Registered Office at H-106, GIDC Estate, Vitthal Udyognagar - 388 121	a. To provide Loan in accordance with Sections 185 and 186 of the Companies Act, 2013
2016-17- AGM	28th August, 2017	10.00 A.M.		a. Appointment of Mr. Himanshu Patel (DIN 00202312) as the Managing Director. b. Appointment of Mr. Aalap Patel (DIN 06858672) as the Executive Director (Technical). c. Re-classification of Promoter and Promoter Group. d. Amendment of Memorandum of Association in accordance with the Companies Act, 2013. e. Adoption of new set of Articles of Association in accordance with the Companies Act, 2013

(b) Postal Ballot

No business has been transacted using Postal Ballots.

DISCLOSURES

A. Related Party Transactions:

There were no materially significant transactions with related parties i.e. Promoters, Directors or the Management, or relatives conflicting with the Company's interest. All transactions with the related parties are put before the Board for their approval, after getting in-principle approval of the Audit Committee of the Company, as and when required. The prior approvals of Shareholders/ Audit Committee/ the Board of Directors, whenever required, have also been obtained by the Company before entering into any related party transactions.

The Company executes the related party transactions considering business exigencies, including but not limited to, sectoral specialization, operational efficiencies, etc. All the related party transactions are executed on an arm's length basis with an intention to further the Company's interests. The extract of the policy on dealing with the related party transactions is available on the Company's website: www.hle-glascoat.com in Investors Guide/ Company Policies.

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity as per IND AS 24 has been provided in the Notes to the Financial Statements.

B. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

C. Board Disclosures – Risk Management

The Audit Committee is entrusted with the responsibility of implementing and monitoring the risk management plan for the Company and inform the Board Members about the risk assessment and minimization procedures. The same is periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

D. Management

The Management Discussion and Analysis Report pertaining to external and internal environment of the Company is annexed herewith.

E. Shareholders

Mr. Nilesh Patel (DIN 00141873), Non-Executive Director, is retiring by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

The details of the Director proposed to be appointed/ re-appointed in the 29th Annual General Meeting of the Company is annexed to the Notice convening Annual General Meeting.

F. Compliance

There were no instances of non-compliances or any matter viz. imposition of penalties or strictures on the Company by the Stock Exchange or SEBI or any statutory authority, related to the capital markets during the last three financial years.

G. Details of compliance of mandatory requirements and adoption of non-mandatory requirements of applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all mandatory requirements stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is annexed hereto.

H. The Company has duly complied with all the requirements of para (2) to (10) of Schedule V read with provisions of Regulation 34(3) and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. The Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

J. Vigil Mechanism and Whistle Blower Policy

The Company has devised a Vigil Mechanism for directors and employees to report genuine concerns and has also formulated a Whistle Blower Policy. The details of the said vigil mechanism is available on the Company's website: www.hle-glascoat.com in Investors Guide/ Whistle Blower - Vigil Mechanism. The Company's personnel have direct access to the Chairperson of the Audit Committee to report concerns about unethical behavior (actual or suspected), frauds and other grievances. During the financial year 2019-20, no employee has been denied access to the Compliance Officer/ the Chairperson of the Audit Committee.

K. Commodity trading/ hedging activities

The Company is not engaged into any commodity trading/ hedging activities.

L. Policy for determining material subsidiary

Since the Company does not have any material subsidiary, the need for a policy for determining material subsidiary is not applicable.

M. Mr. D. G. Bhimani, practicing company secretary, has provided a Certificate, in accordance with the provisions of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority, which is annexed hereto and forms part of this Report.

N. The Board has accepted all the recommendations, if any, of any of its Committees, which is mandatorily required, in the financial year 2019-20.

O. Details relating to fees paid to the Statutory Auditors for all the services rendered during the period under review are provided in the Notes to the Financial Statements.

P. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Not Applicable

Q. Disclosure in relation to Sexual Harassment of Women at work place

The disclosures and details related to sexual harassment of women in workplace have been provided in the Board Report.

R. Extent to which Discretionary requirements as specified in Part E of Schedule II have been adopted.

The Company has developed a system wherein Internal Auditor directly reports to the Audit Committee. Further, the Company shall adopt the remaining discretionary requirements as specified in Part E of Schedule II in due course.

CEO/ CFO CERTIFICATION

The Managing Director of the Company has certified to the Board regarding review of financial statements for the year, compliance with the Accounting Standards, maintenance of internal control for financial reporting, accounting policies, etc. The same is provided elsewhere in this Annual Report.

MEANS OF COMMUNICATION

The Company believes that all stakeholders should have access to adequate information regarding the Company's position to enable them to accurately assess its future potential.

* **Website:** Your Company's Website www.hle-glascoat.com in Investors Guide/ Financial Information provides comprehensive information on its financial performance, operational performance, announcements and periodical compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* **Financial Results:** The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also are published in newspapers, namely, Business Standard and Jaihind/ Jansatta/ Naya Padkar

* **Annual Report:** The Annual Report containing, inter- alia, the Financial Statements, the Board Report, the Independent Auditors' Report and other important information is circulated to the Members and others entitled thereto.

* **Corporate Filing**: Announcements, Periodical Financial Results, Shareholding Pattern, etc. of the Company are regularly filed by the Company and are available on the website of the BSE Ltd.– www.bseindia.com, whereon the shares of the Company are listed.

* **Reminder to Shareholders:** Every year the Company sends a reminder to its shareholders to realise their unclaimed/ unpaid dividends of previous years.

GENERAL SHAREHOLDERS INFORMATION

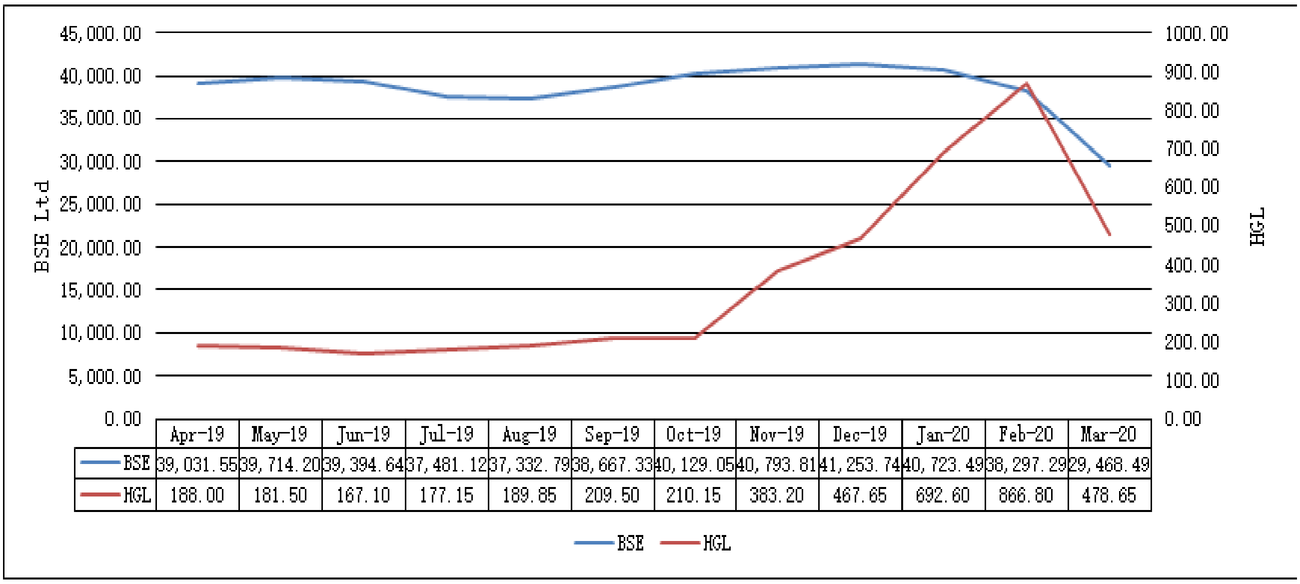
Compliance Officer	:	Ms. Dhwani Shah
Date, Time and Venue of the 29th Annual General Meeting	:	Saturday, 19th September, 2020 at 10:30 a.m. through Audio-Visual means
Financial Year	:	1st April, 2019 to 31st March, 2020
Book Closure Dates	:	Sunday, 13th September, 2020 to Wednesday, 16th September, 2020 (both days inclusive).
Last Date of Receipt of Proxy Forms	:	Not Applicable
Listing on Stock Exchange	:	BSE Limited Annual Listing fees to the BSE Ltd. for the Financial Year 2019-20, as applicable, have been paid well before the due date.
Scrip Code on BSE Limited	:	522215
Registrar and Share Transfer Agents	:	**Link Intime India Private Limited** B-102 and 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara - 390 020 **Phone No.:** 0265-2356573 **Fax no.:** 0265-2356791 **E-Mail Id:** vadodara@linkintime.co.in
ISIN of DEMAT Shares	:	INE461D01010
Credit Rating	:	Provided in the Board Report

Month wise Market price data in FY 2019-20*

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-19	205.00	165.30	39.70	Oct-19	221.00	183.60	37.40
May-19	193.90	165.00	28.90	Nov-19	398.00	210.55	187.45
Jun-19	188.70	161.35	27.35	Dec-19	467.65	350.00	117.65
Jul-19	188.80	160.20	28.60	Jan-20	707.00	422.10	284.90
Aug-19	193.00	162.00	31.00	Feb-20	989.90	625.00	364.90
Sep-19	220.90	180.00	40.90	Mar-20	930.00	433.95	496.05

*(Source: www.bseindia.com)

Company's closing share price movement during the financial year 2019-20 on BSE vis-à-vis S&P BSE Sensex



SHARE TRANSFER SYSTEM

For the financial year 2019-20, the transfer of shares in physical form are processed and completed by Link Intime India Private Limited, within the period specified from the date of receipt thereof, under the supervision of the Compliance Officer and the Stakeholders Relationship Committee of the Company. The shares held in dematerialized form are transferable through the depository system.

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialization with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2020, 1,21,05,066 shares (93.62%) of the Company are held in dematerialized form.

The Shareholders holding shares of the Company in physical form are requested to dematerialize their shares for easy and expeditious transfers thereof. Your Company confirms that the promoters their group holdings are fully converted into electronic form and the same is in line with the circulars issued by SEBI.

DISTRIBUTION OF SHAREHOLDING

(A) Distribution of Shares as per Category as on 31st March, 2020.

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	% of (A+B)
(A)	Shareholding of Promoter and Promoter Group	7	9600744	74.25
(B)	Public Shareholding Institutions	0	0	0.00
(C)	Public Shareholding- Non- Institutions	5530	3333332	25.75
	GRAND TOTAL (A+B+C)	**5537**	**12931076**	**100.00**

(B) Distribution of Shares by size of holding as on 31st March, 2020

Category of Shares	No. of shareholders	% Holders	No. of Shares	% Shares
1 to 500	4978	89.90%	651676	5.04%
501 to 1000	281	5.07%	228623	1.77%
1001 to 2000	117	2.11%	175267	1.36%
2001 to 3000	33	0.60%	82242	0.64%
3001 to 4000	34	0.61%	120360	0.93%
4001 to 5000	19	0.34%	85733	0.66%
5001 to 10000	34	0.61%	254120	1.97%
10001 and above	41	0.74%	11333055	87.64%
TOTAL	**5537**	**100.00%**	**12931076**	**100.00%**

Note: As per shareholding pattern filed with BSE Ltd, number of shareholders as on 31st March, 2020 has been clubbed on the basis of PAN of the shareholders of the Company.

DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT:

In accordance with the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened a demat account namely "Swiss Glascoat Equipments Limited - Unclaimed Suspense Account", wherein it has transferred all the physical share certificates lying unclaimed in its possession after following prescribed procedure as specified in the said provisions.

The details of the shares transferred to the said Unclaimed Suspense Account during the financial year 2019-20 are as under:

Particulars	No. of Shareholders	No. of Shares
Outstanding balance in Unclaimed Suspense Account as on 1st April, 2019	3	800
Request for transfer from Unclaimed Suspense Account received and processed	0	0
Outstanding balance in Unclaimed Suspense Account as on 31st March, 2020	3	800

The voting rights on the shares transferred to the Unclaimed Suspense account of the Company shall remain frozen till the rightful owner of such shares claims the shares.

PLANT LOCATION AND ADDRESS FOR CORRESPONDENCE

Plant Location:

(1) HLE Glascoat Limited
H-106, G I D C Estate,
Vitthal Udyognagar – 388 121
Dist. Anand, Gujarat

(2) HLE Glascoat Limited
A-6, Maroli Udhyognagar
At. Post. Maroli Bazaar
Navsari – 396436
Gujarat

Registered Office:

HLE Glascoat Limited
H-106, G I D C Estate,
Vitthal Udyognagar – 388 121
Dist. Anand, Gujarat
E-mail ID: share@glascoat.com
Contact No.: (02692) 236842 to 236845

To allow us to service the Shareholders with greater speed and efficiency, the Company strongly recommends e-mail based correspondence on all issues which do not require signature verification for being processed.

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Date : 20th June, 2020

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT

In accordance with Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby confirm that all Directors and Senior Management personnel of the Company have affirmed their compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2020.

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-
Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Date : 20th June, 2020

CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF HLE GLASCOAT LIMITED

To
The members of
HLE Glascoat Ltd.
Vithal Udyognagar.

1. I, Mr. D. G. Bhimani, proprietor of M/s D. G. Bhimani& Associates, practicing company secretaries, Anand, the Secretarial Auditor of HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

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

OPINION

5. Based on my examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the year ended 31 March 2020.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For D G Bhimani & Associates
Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place : Anand
Date : 19th June, 2020
UDIN : F008064B000358260

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
HLE Glascoat Limited
(formerly known as Swiss Glascoat Equipments Limited)
H-106 GIDC Estate,
Vithal Udyognagar - 388121.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) having CIN L26100GJ1991PLC016173 and having registered office at H-106 GIDC Estate, Vithal Udyognagar – 388121 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Himanshu Khushalbhai Patel	00202312	31/12/2016
2	Aalap Nileshbhai Patel	06858672	31/12/2016
3	Nilesh Khushalbhai Patel	00141873	31/12/2016
4	Harsh Himanshubhai Patel	00141863	31/12/2016
5	Vijayanti Punjabi	07651296	31/12/2016
6	Yatish Chandrakant Parekh	00168488	29/05/2017
7	Sandeep Dipak Randery	07663581	29/05/2017
8	Jayeshbhai Vastupal Shah	03570056	03/11/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D G Bhimani & Associates
Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place : Anand
Date : 19th June, 2020
UDIN : F008064B000357921

SECRETARIAL COMPLIANCE REPORT OF HLE GLASCOAT LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

I have examined:

(a) all the documents and records made available to us and explanation provided by HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) having CIN L26100GJ1991PLC016173 and having registered office at H-106 GIDC Estate, Vithal Udyognagar - 388121 ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- (Not Applicable to the Company during the Review Period).

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;-(Not Applicable to the Company during the Review Period).

(e) Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;-(Not Applicable to the Company during the Review Period).

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;-(Not Applicable to the Company during the Review Period).

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;-(Not Applicable to the Company during the Review Period).

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 to the extent applicable;

and circulars/ guidelines issued there under;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
------------- NIL ---------------			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of Actions taken	Observations/ Remarks of the Practicing Company Secretary
------------- NIL ---------------				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the Previous Report	Observation made in the Secretarial Compliance Report for the year ended	Actions taken by the Listed Entity	Comments of the Practicing Company Secretary on the action taken by the listed entity
------------- NIL ---------------				

I further report that in view of the situation emerging out of the outbreak of COVID-19 Pandemic, I could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2020 and the documents/information required were provided through electronic Mode.

For D G Bhimani & Associates
Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place : Anand
Date : 19th June, 2020
UDIN : F008064B000357886

ANNEXURE TO THE BOARD REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
Forming part of the Board Report

Economic Overview

The year 2019-20 has been a difficult year for the global economy, with world output growing at its slowest pace of 2.9% since the global financial crisis in 2009. A weak environment for global manufacturing, trade, and demand has adversely impacted the Indian economy. The GDP growth rate is reported to be 4.2% in 2019-20 as compared to 6.1% in 2018-19, according the provisional estimates released by the National Statistical Office in May, 2020. GDP growth for the last quarter of FY 2019-20 slowed to 3.1%. In 2020-21, India's GDP growth rate is expected to be in the sub-2% range. The Covid-19 pandemic has plunged the world into one of the deepest recessions in decades, with its impact on economy and life likely to be felt for a considerable amount of time. The situation is constantly evolving, as frantic efforts are being undertaken across the world to control the spread of the virus and to develop a vaccine.

India is currently the world's sixth-largest economy by nominal GDP and the third largest by purchasing power parity (PPP). This growth has been achieved in a scenario of lower inflation, improved current account balance and reduction in the fiscal deficit to GDP ratio. The Consumer Price Index (CPI) based inflation increased from 3.7% in 2018-19 to 4.1% in 2019-20. This increase was mainly due to food inflation. The fiscal deficit for 2019-20 widened to 4.6% of GDP according to Controller General of Accounts (CGA) data released in May, 2020.

The Covid-19 Pandemic has wreaked havoc on the world. First reports of the novel coronavirus emerged in Wuhan, China in the month of December, 2019. The first reported cases outside China emerged in Thailand, Japan and South Korea in the second half of January, 2020. The virus spread quickly across the world, with the World Health Organisation declaring the outbreak a pandemic in early March, 2020. Countries enforced measures ranging from social distancing guidelines to severe lockdowns as governments attempted to curb the spread of the virus. As of early June, 2020, the WHO reported that 216 countries had confirmed cases of Covid-19, with the total confirmed cases at over 8 million people and death toll at over 0.40 million.

The Indian Government announced an unprecedented 21-day lockdown on 23rd March, 2020 in a bid to halt the spread of the virus. This has been followed by extensions in lockdowns and other measures which have continued into June, 2020, although the severity of lockdowns has been gradually eased in individual States, depending on the evolving situation in every State. Several rating agencies have downgraded growth targets for the Indian economy in light of the disruptive impact of the pandemic, with several agencies even predicting a recession for FY 2020-21. Several monetary and fiscal measures have been announced by the Government and the RBI in an attempt to relieve the stress on the economy caused by the pandemic. This includes a revision in the definition of MSMEs (allowing more companies to avail the benefits of being an MSME), announcements of collateral free loans and government guarantees for MSMEs, a partial credit guarantee scheme, extension of certain tax deadlines, amongst various other measures.

Economic Outlook

The Indian economy witnessed a slowdown in 2019-20, with the growth rate reducing to 4.2%. In a bid to revive the economy, the Government announced several measures during the year, including a reduction in corporate taxes, mega-merger of multiple PSU Banks and measures to improve credit availability. Although these measures did show encouraging initial signs, the Covid-19 pandemic brought the economy to a near standstill and has dampened hopes for substantial growth in the near term. Even so, medium to long term prospects for the Indian economy remain optimistic. Achieving the ambitious long-term targets set by the Government will require strengthening of the trust in the market. It is anticipated that the Government shall continue to introduce additional pro-business measures such as improving the ease of doing business, scaling up the banking and finance sector, scaling up manufacturing infrastructure in the country, amongst others.

A) Industry Structure and Development and Outlook

Your Company is engaged in the three main businesses (i) manufacturing of specialized Filtration and Drying equipment (ii) Glass-lined Reactors and Vessels, and (iii) manufacturing of chemical intermediates for agrochemical, specialty/ fine chemical, active pharmaceutical ingredients and dyes and pigments. The Company's products in the Engineering business (Filtration and Drying equipment and Glass-lined Reactors) are predominantly used by the manufacturers of Active Pharma Ingredients (API) and Chemical (agrochemical, specialty/ fine chemical and dyes and pigment industries) companies.

Performance of the Engineering Sector

India's engineering sector is divided into two major segments – heavy engineering and light engineering. The turnover of the capital goods industry in India is expected to grow to Rs. 8.05 lakh crores (US$ 115.17 billion) by 2025. Comparative advantage vis-a-vis peers in terms of manufacturing cost, market knowledge, technology and creativity has been the driving force behind engineering exports from India. Engineering exports grew 6.32 per cent year-on-year to US$ 81.02 billion in FY19 and reached US$ 64.03 billion in FY20 (till January, 2020). The Index of Industrial Production (IIP) for electrical equipment industry stood at 105.5 in FY20. As quoted by the Hon'ble Minister for Commerce and Industry and Railways, the Government will make all efforts to ensure that the exports of engineering goods reach US$ 200 billion by 2030. The Government has also announced plans to invest Rs. 10,000,000 crores (US$ 1.5 trillion) in infrastructure over the next five years. Companies engaged in the engineering sector have enjoyed a healthy improvement in their business. Capacity creation in sectors like infrastructure, power, mining, oil and gas, refinery, steel, automotive, and consumer durables have been driving the demand in the engineering sector. Separately, the approval of a significant number of Special Economic Zones (SEZs) across the country and the development of the Delhi-Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector. With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route and new initiatives like Make in India and Aatmanirbhar Bharat, the sector will receive a further impetus in the coming years. .

Performance of the Pharmaceutical Sector

The Indian Pharmaceutical sector is in robust health and is growing its presence in the world. India is the largest provider of generic drugs globally, with a 20% market share by volume. The Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicines in UK. The Indian market is expected to grow to US$ 100 billion by 2025, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. The Indian bulk drug industry is the third largest in the world and has advantages in terms of availability of manpower and low-cost operations.

Increase in the size of middle-class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance (through Ayushman Bharat Scheme of the Government) in the country will also positively influence the growth of the Pharmaceutical Sector. The Indian government has taken various steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has been the focus area and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies and will further give a boost to the Sector.

In light of the Covid-19 pandemic, the role of the Indian Pharmaceutical sector has become critical. The Covid-19 pandemic has brought to light shortcomings in India's healthcare infrastructure and presents an opportunity for further investment in the sector. It has also presented opportunities for Indian pharmaceutical companies to become a hub for the manufacture of APIs. Several measures (liked Production Linked Incentive scheme – popularly known as PLI Scheme) have been initiated by the Government to aid this and reduce India's dependence on imported APIs. An increase in research and development expenditure, growing healthcare investments, healthy growth in domestic and international demand and favorable Government policies all signal a bright future for Indian pharmaceutical companies.

Performance of the Chemical Industry

The chemical industry is a knowledge intensive as well as capital intensive industry. It is an integral constituent of the growing Indian Industry. It includes basic chemicals and its products, petrochemicals, fertilizers, paints, varnishes, gases, soaps, perfumes and toiletry and pharmaceuticals. The diversification within the chemical industry is large and covers more than eighty thousand commercial products. This Industry occupies a pivotal position in meeting basic needs and improving quality of life. The industry is the main stay of industrial and agricultural development of the country and provides building blocks for several downstream industries, such as textiles, papers, paints, varnishes, soaps, detergents, pharmaceuticals, etc. India ranks 6th in the world and 4th in Asia in the chemicals and petrochemicals sector. The market size of the chemical sector in India for the year 2018-19 is estimated to be US$ 178 billion, which is expected to reach US$ 304 billion by 2024-25 at annual growth rate of 9.3%. (Source: FICCI and CEFIC Report).

The considerable slowdown of chemical manufacturing in China is a significant opportunity for Indian chemical companies. Indian companies have to increment their existing capacity to fill the gap left by the disruption in China and have been investing in order to build additional manufacturing capacity. The Government has also undertaken initiatives such as Make in India and Aatmanirbhar Bharat, which should help boost the chemical industry. However, it is important to temper expectations keeping in mind the impact of the Covid-19 pandemic.

Agriculture, and in turn, Agrochemicals, remain a focus area for the Government. The Government has set a target to double farmer income by 2022, which should see a significant increase in public spending. States have been asked to plan for higher food grain production for FY 2020-21 by the Agriculture Ministry. Efforts to boost farm yields will help drive demand for the use of agrochemicals. The Government is also keen to reduce the country's dependence on agrochemical imports. The slowdown in China and increased domestic demand bodes well for the agrochemical industry. The agrochemicals market in India is expected to grow to $4.7 billion by FY 2024-25.

Company Overview

HLE Glascoat Limited (formerly Swiss Glascoat Equipments Limited) ("HGL") was formed 29 years ago with an objective to serve Indian customers who were exploited by the multinational companies for Glass-lined Equipment. Post its acquisition by HLE Engineers Private Limited in FY2016-17 and its successful integration (consequent to the Scheme of Arrangement) with the operating business of HLE Engineers Private Limited during FY20, today, the Company is the largest manufacturer of customized and sophisticated filtration and drying equipment and one of the leading manufacturers of standard and customized glass lined equipment in the country. The Company caters to the Indian and international markets. Your Company embarked upon the technological drive to synthesize the best of engineering practices and technological advancements to come up with superior quality solutions in both filtration and drying equipment and glass-lined products and services and has emerged as a front-runner in the domestic market by catering to diverse industries and applications ranging from dyes to pigments; from pharmaceutical to food processing (requiring high GMP compliance and minimal human intervention); from chemicals to pesticides; from intermediates to resins and other conceivable corrosion-prone areas in the chemical processing industry. Today, HGL has demonstrated its capabilities to meet the stringent process requirements of its customers and is known in the market for its high-quality Agitated Nutsche Filters, Agitated Nutsche Filters and Dryers, Rotary Vacuum Paddle Dryers and Glass Lined Reactors, Vessels and other Specialized Equipment and commands a good brand recall amongst its customers, which includes most of the large and medium sized players in the pharma, chemical and agrochemical industry.

HGL has a strong presence in the domestic market through its network of selling agents. HGL has had an excellent track record of growth and profitability and has emerged as one of the leaders in the Indian marketplace for its sophisticated equipment. HGL's penetration into the export markets is also gradually improving, being constrained primarily by the large domestic order backlog. With the increase in its manufacturing capacity, your Company is hopeful of increasing the contribution of exports in its total turnover in the coming years.

By consolidating quality, performance, engineering design, service and much more, HGL has established itself as comprehensive provider for sophisticated chemical engineering equipment of any type, size, output including a complete range of accessories. Today, with the support of its customers, your Company is progressing faster than most competing companies in terms of technology, processes, customer orientation and people.

The Company has planned to discontinue its chemical unit operations at Maroli since it is not considered feasible to continue the manufacturing operations at the Maroli Chemical Plant in the medium term.

B) Opportunities and Threats

Your Company's philosophy to provide the best quality at a competitive price, continuously innovating its existing processes and introducing new technologies (automation and process improvement) will give lot of thrust and impetus to your Company's operations and order book. Further your Company has invested in innovating and improvising the glass lining technologies, improving material sourcing, and handling capability, strengthening distribution channel and reach and entering new market segments and geographies (both in domestic and export markets).

The threats to your Company are mostly associated with the cyclical industry trend, rising inflation, non-availability of adequate skilled manpower, continuous increase in electricity/ fuel costs, cost of wages and salaries and finance cost. Before the outbreak of the Covid-19 in India, the economy was witnessing an upswing in the capex cycle and user industries had either undertaken or planning to undertake major capex program, especially companies engaged in Specialty Chemicals, Dyes and Dyestuffs and Agrochemical segments. The continued impact of the Covid-19 pandemic in India as well as other major countries in the world may lead to delay in the implementation of these capex programs. The investments in these industries have a direct positive impact on the Company's order book.

Your Company's equipment have a high brand recall amongst its existing customers as well as generally in the Industry. Now, your Company has intensified its marketing efforts and service network to strengthen its domestic and global presence and is receiving positive, encouraging response. Your management is quite confident that they will overcome the internal threats and ensure that your Company achieves improved performance in the current year.

C) Risks and Concerns

COVID-19 has triggered the deepest global recession in decades. While the ultimate outcome is still uncertain, the pandemic will result in contractions across the vast majority of emerging markets and developing economies. It will also do lasting damage to labour productivity and potential output. The immediate government policy priorities should be targeted to alleviate the human costs and attenuate the near-term economic losses. Once the crisis abates substantially, it will be necessary for the government to reaffirm a credible commitment to sustainable policies and undertake the reforms necessary to buttress long-term prospects. Global coordination and cooperation will be critical. Per capita incomes in most emerging and developing economies will shrink this year. The pandemic highlights the urgent need for policy action to cushion its consequences, protect vulnerable populations, and improve countries' capacity to cope with similar future events.

D) Internal Control Systems and their adequacy

Your Company is committed to ensuring an effective internal control environment that provides reasonable assurance regarding the effectiveness and efficiency of operations, adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. Towards this end, your Company has laid down standard operating procedures and policies to guide the various business operations. To further strengthen the internal control systems, an independent external professional agencies have been appointed to conduct internal audit of the systems and processes of both its manufacturing locations (Maroli as well as Anand). The internal auditors ensure that internal controls are reviewed through the periodical internal audit process in consultation with the Audit Committee. Internal auditors covers every operational unit and all major corporate functions under the direction of the Audit Committee of the Board.

The Board's Audit Committee oversees the adequacy of the internal control environment through periodic reviews of audit findings and monitoring implementations of internal audit recommendations through compliance reports. The Statutory Auditors have opined in their report that there are adequate internal controls over financial reporting at your Company. The Certification by the Managing Director and the Chief Financial Officer of the Company has been provided elsewhere in this Annual Report and discusses the adequacy of our internal control systems and procedures.

E) Financial performance vis-à-vis Operational performance

Financial Highlights Rs. in lakhs

Particulars	2019-20	2018-19
Total Income	39,522.58	34,255.06
Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income)	7,153.23	4,530.38
Profit Before Tax (after adjusting Other Comprehensive Income)	5,247.43	2,507.21
Profit After Tax	3,785.68	1,791.38
Total Assets	32,217.58	28,281.73
Equity Share Capital	1,293.11	650.00
Other Equity	6,325.49	3,494.70
Total Equity	7,618.60	4,144.70
Bank Borrowings	6,705.36	6,982.76
Debt: Equity Ratio (including long term and short term borrowings)	1.29	2.72
Book Value per Share of Rs. 10 each – In Rs.	57.47	63.76
Earnings Per Share - Basic and Diluted – In Rs.	29.53	14.01
Dividend Per Share – In Rs.	4.50 (including proposed dividend of 2.50)	-

Note: Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary. Previous years' figures have been consolidated and restated for better understanding considering the appointed date in the Scheme of Arrangement was 1st April, 2018.

Your Company continues to remain the undisputed market leader in the filtration and drying segment. In the glass lined equipment segment, your Company continues to consolidate its position with increasing market share and is a reputed name amongst the user industries. The Board of Directors has decided to gradually wind down the chemical business which was operated from the Maroli location by around July, 2020 since continuing the chemical unit at that location could pose challenges in future.

There is a trend towards a strong growth pursuant to your Company's commitment to quality and sustainability. Your Company believes in a philosophy of continuous efforts to perform better operationally, which is expected to translate into better financial performance. Your Company's Balance Sheet continues to remain robust and relatively insulated from financial risks. By actively managing utilities and other operational costs, payment terms and working capital requirements, your management has influenced the financial performance and achieved significant cost savings. Your Company's revenue from operations for the year 2019-20 was Rs. 39,522.58 lakhs compared to Rs. 34,255.06 lakhs during the previous year. Your Company earned profit after tax during the year of Rs. 3,818.63 lakhs compared to Rs. 1,811.40 lakhs during the previous year. Operating Profit/ Earnings before Finance costs, Depreciation and Tax (and adjusting the comprehensive income) for the year stood at Rs. 7,153.23 lakhs compared to Rs. 4,530.80 lakhs.

F) Material Developments on Human Resources/ industrial relations, including number of people employed

Your Company considers people as the most important asset and backbone of the business for its success. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and upgraded to attract, recruit and retain talent in your Company. We have been receiving active co-operation and support from the entire hierarchy of personnel, resulting in improvement in productivity and overall growth of your Company. The staff and workers are our most important assets. The personnel of your Company are efficient and committed to the growth of your Company's business.

Your Company has well documented and updated policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy plays an important role as a watchdog. The total permanent employee strength of your Company as on 31st March, 2020 stands at 533. Your Company believes in focusing on development of its existing staff and workers and provides constant training to them so as to make them ready for growth and better positions in your Company. The training is provided internally, and training programmes are also organized by inviting external faculty. Our continuous training programmes have emphasis not only on increasing production of your Company but also on imbibing qualities of commitment and integrity in the attitude of the personnel.

G) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor

Key Financial Ratios	FY 2019-20	FY 2018-19	Detailed explanation for change of 25% or more, if any
Debtors Turnover (times)	9.01	10.65	-
Inventory Turnover (times)	1.34	1.50	-
Interest Coverage Ratio (times)	5.47	2.82	Higher turnover in FY20, reduction in debt and consequent finance costs during the year has improved interest coverage
Current Ratio	1.13	1.06	-
Debt Equity Ratio (considering long term and short term debt)	1.29	2.72	Improved profitability resulting in increase in equity in FY20 and a reduction in total debt has led to favourable change in the ratio
Operating Profit Margin (%)	16.63	11.60	The Company has improved performance for the year
Net Profit Margin (%)	9.77	5.32	The Company has improved performance for the year

H) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Return on Net Worth	FY 2019-20	FY 2018-19	Detailed explanation for change of 25% or more, if any
Return on Net Worth (PAT/ Net Worth)	49.69%	43.22%	-

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, if any, may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, raw material pricing, climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

By the Order of the Board of

HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-

Date : 20th June, 2020

Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

ANNEXURE TO THE BOARD REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THR FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
HLE Glascoat Limited
Vithal Udyognagar.

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minutes, forms andreturns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and the other records maintained by Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. As informed to us, there were no FDI transaction in the Company during the year under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) OTHER APPLICABLE ACTS

   (a) Factories Act, 1948

   (b) Payment Of Wages Act, 1936, and rules made there under,

   (c) The Minimum Wages Act, 1948, and rules made there under,

   (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,

   (e) The Payment of Bonus Act, 1965, and rules made there under,

   (f) Payment of Gratuity Act, 1972, and rules made there under,

   I have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

   (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

I further report that

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

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes on the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the shareholders at the General Meeting convened by National Company Law Tribunal, Ahmedabad Bench ("NCLT") on Friday, 23rd August, 2019, approved a Composite Scheme of Arrangement involving Demerger and Transfer of the Operating Business of HLE Engineers Private Limited to Swiss Glascoat Equipments Limited and Amalgamation of Yashashvi Agrochemicals Private Limited, with HLE Engineers Private Limited (Scheme). The NCLT approved the said Scheme vide their Order dated 24th October, 2019.

For D. G. Bhimani & Associates

Place : Anand
Date : 9th June, 2020
UDIN : F008064B000357765

Sd/-
Dineshkumar G. Bhimani
Company Secretary
C P No.: 6628

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

ANNEXURE

To,
The Members,
HLE Glascoat Limited
Vithal Udyognagar.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis toensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. In view of the situation emerging out of the outbreak of COVID-19 Pandemic, I could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2020 and the documents/information required were provided through electronic Mode.

For D. G. Bhimani & Associates

Place : Anand
Date : 9th June, 2020
UDIN : F008064B000357765

Sd/-
Dineshkumar G. Bhimani
Company Secretary
C P No.: 6628

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Standalone IND AS Financial Statements

To the Member of HLE Glascoat Limited

Opinion

We have audited the accompanying Separate IND AS Financial Statements (Also known as standalone IND AS financial statements) of **HLE Glascoat Limited**, (hereinafter referred to as "Company") which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs (financial position) of the Company as at 31st March, 2020, and its profit(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Note 26(m) to the Standalone IND AS financial statements for the year ended March 31, 2020, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Our Response
1	**Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims** The Company has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** We performed the following substantive procedures: Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. We have assessed the value of significant provisions and contingent liabilities, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome. Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities. **Conclusion** We agree with management's evaluation.
2	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, rate of inflation and mortality rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year,if any. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our Auditors' Report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and standalone cash flow statements of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the standalone financial statements

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

A further description of our responsibilities for the audit of the financial statements is included in appendix A of this auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The remunerations paid/provided are not in excess of the limits laid down under section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements- under Note No. 26 (j) of the Financial Statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

   iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education Protection Fund by the Company.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)

(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 20036490AAAACP6232

Date: 20th June, 2020
Mumbai.

APPENDIX A- AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND-AS FINANCIAL STATEMENTS OF HLE GLASCOAT LIMITED

Report on the Order issued under Section 143 (11) of the Companies Act, 2013

(i) In respect of its Property, Plant and Equipment's:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment's.

b) The fixed assets have been physically verified by the management at reasonable intervals (covering all the assets in a period of three years), which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such physical verification.

c) On the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancy was noticed on such physical verification. Necessary confirmations have been obtained in respect of material lying with the third parties.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered under the register maintained under section 189 of the Companies Act, 2013. Accordingly, the clauses (iii) (a), (b) and (c) of the order are not applicable.

(iv) The Company has complied with provisions of section 186 of the Act in respect of investments made. The Company has furnished guarantees amounting to Rs. 200 lakhs to facilitate loan to subsidiary in compliance with section 185 and 186 of the Act. The Company has not given any loans during the year.

(v) The Company has not accepted any deposits from the public, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, cess and any other statutory dues with the appropriate authorities to the extent applicable. According to the information and explanations given to us and based on our examination, there were no outstanding of aforesaid statutory dues as on 31st of March, 2020 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues outstanding in respect of income-tax, service tax, duty of customs, goods and service tax, and cess on account of any dispute except as stated below;

Statute	Nature of Dues/Matter	Amount (in lakhs)	Forums where the dispute is pending
Central Excise Act, 1944 and Finance Act 1994 (Service Tax)	**For the period 2008- 2013**	**9.55**	**CESTAT**
	For the period 2012- 2015	**23.98**	**CESTAT**
	For the period 2013- 2017	**24.32**	**CESTAT**

(viii) The Company has not defaulted in repayment of its loans or borrowings to a financial institution, banks or government.

(ix) The Company has applied moneys raised by way of term loans for the purposes for which those were raised. The Company has not raised any moneys by way of Initial public offer.

(x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion, the managerial remuneration has been provided in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.

(xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Note No. 26 (f) as required by the applicable accounting standards.

(xiv) On the basis of on our examination of the records of the Company, the Company has made preferential allotment of shares during the year as per the Scheme of Arrangement for Demerger approved by the National Company Law Tribunal (NCLT) by order dated 24th October, 2019. Details of the allotment made during the year are disclosed in Notes to financial statements. (Refer Note 26 (l)). The Company has not made any private placements during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, Act 1934 and accordingly this clause is not applicable.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)

(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 20036490AAAACP6232
Date: 20th June, 2020
Mumbai.

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HLE GLASCOAT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HLE Glascoat Limited** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)

(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 20036490AAAACP6232
Date: 20th June, 2020
Mumbai.

BALANCE SHEET AS AT 31st MARCH 2020

(Rs. in Lakhs)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	8,402.38	7,523.22
Capital Work-in-Progress	2 (b)	1,000.58	414.01
Other Intangible Assets	2 (c)	446.94	497.86
Financial Assets;			
- Investments	6	900.54	806.96
- Others financial assets	3	71.43	68.86
Other Non-current Assets	4	155.03	54.34
Current Assets			
Inventories	5	14,268.11	12,335.66
Financial Assets;			
- Trade Receivables	7	4,301.87	3,161.85
- Cash and Cash Equivalents	8	116.11	634.01
- Bank balances other than cash and cash equivalents	9	825.13	1,127.05
- Loans	10	29.68	11.80
- Others financial assets	3	626.38	64.24
Current Tax Assets		-	87.06
Other Current Assets	4	1,073.40	1,494.81
TOTAL ASSETS		**32,217.58**	**28,281.73**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	1,293.11	650.00
Other Equity	SOCE	6,325.49	3,494.70
Total Equity		**7,618.60**	**4,144.70**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	11	5,426.80	6,005.66
- Other Financial Liabilities	13	1.57	3.54
Deferred Tax Liabilities (Net)	14	324.60	260.81
Other Non-current Liabilities	15	14.47	55.86
Provisions	16	40.36	33.75
Current Liabilities			
Financial Liabilities			
- Borrowings	11	2,762.18	4,447.53
- Trade Payables	12		
Outstanding due of Micro, Small and Medium Enterprises		369.02	607.65
Outstanding due of Creditors other than of Micro, Small and Medium Enterprises		6,488.89	5,514.56
- Other Financial Liabilities	13	2,167.50	1,241.04
Other Current Liabilities	15	6,417.09	5,915.19
Income Tax Liabilities		434.87	-
Provisions	16	151.63	51.44
Total Liabilities		**24,598.98**	**24,137.03**
TOTAL EQUITY AND LIABILITIES		**32,217.58**	**28,281.73**
Significant Accounting Policies	1		
Accompanying Notes are an integral part of these financial statements			

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in Lakhs)

Particulars	**Note**	**As at 31 March 2020**	**As at 31 March 2019**
INCOME			
Revenue from Contract with Customers	17	38,744.51	33,678.08
Other Income	18	778.07	576.98
TOTAL INCOME		**39,522.58**	**34,255.06**
EXPENSES			
Cost of Materials Consumed	19	20,663.67	18,541.32
Changes in inventories of Finished Goods and Work-in-Progress	20	(1,483.27)	(73.48)
Employee Benefits Expenses	21	3,119.27	2,657.92
Finance Costs	22	1,183.38	1,390.15
Depreciation and Amortisation Expense	2 (a) & (c)	722.42	633.02
Other Expenses	23	10,023.19	8,571.18
TOTAL EXPENSES		**34,228.66**	**31,720.11**
PROFIT BEFORE TAX		**5,293.92**	**2,534.95**
TAX EXPENSE			
Current Tax		1,427.14	555.07
MAT Credit Entitlement		-	(176.04)
Deferred Tax		63.80	344.52
Earlier Year Adjustments		(15.65)	-
TOTAL TAX EXPENSE		**1,475.29**	**723.55**
PROFIT FOR THE YEAR		**3,818.63**	**1,811.40**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(46.49)	(27.74)
Income Tax relating to items that will not be reclassified to Profit or Loss		13.54	7.72
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(32.95)**	**(20.02)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,785.68**	**1,791.38**
EARNINGS PER EQUITY SHARE	26 (a)		
Basic		29.53	14.01
Diluted		29.53	14.01
Significant Accounting Policies	1		
Accompanying Notes are an integral part of these financial statements			

This is the Statement of Profit and Loss referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
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(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

SHARE CAPITAL	As at 31 March 2020		As at 31 March 2019	
	Number	**Amount**	**Number**	**Amount**
Authorised Share Capital				
Equity share of Rs 10/- each	1,80,00,000	1,800.00	1,00,00,000	1000.00
Preference Shares of Rs. 10/- each	26,00,000	260.00	-	-
Issued , Subscribed and Fully Paid-up Share Capital	1,29,31,076	1,293.11	65,00,000	650.00
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	65,00,000	650.00	65,00,000	650.00
Changes in equity share capital during the year:				
Issued during the period	96,57,029	965.70	-	-
Shares cancelled by capital reduction during the period	(32,25,953)	(322.60)	-	-
Balance at the end of the reporting year	**1,29,31,076**	**1,293.11**	**65,00,000.00**	**650.00**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2020		As at 31 March 2019	
	No.	**%**	**No.**	**%**
Patel Himanshu Khushalbhai	35,95,707	27.81%	10,000	0.15%
Patel Nilesh Khushalbhai	36,39,127	28.14%	10,000	0.15%
Patel Harsh Himanshubhai	18,59,580	14.38%	10,290	0.16%
Overseas Pearl Ltd.	4,97,400	3.85%	4,97,400	7.65%
Patel Shashikant Purshottamdas	3,53,100	2.73%	3,53,100	5.43%
HLE Engineers Pvt. Ltd.*	-	-	32,25,953	49.63%

*Pursuant to the scheme, investment in equity shares to the extent held by HLE Engineers Pvt.Ltd shall stand cancelled on 18 December 2019.

OTHER EQUITY

Particulars	Reserves and Surplus				Remeasu -rements of Defined Benefit Plans	Equity Component of Compound Financial Interest	Share Suspense Account	Prefe- rence Share Capital	TOTAL
	Securities Premium	General Reserve	Capital Reserve	Retained Earnings					
Balance at the beginning of the comparative reporting Year - 1st April, 2018	**1,605.00**	**2,200.00**	**1.52**	**675.03**	**16.14**	-	-	-	**4,497.69**
Profit for the Current Reporting year ending 31st March 2019	-	-	-	1,811.40	-	-	-	-	1,811.40
Other Comprehensive Income	-	-	-	-	(20.02)	-	-	-	(20.02)
Total Comprehensive Income for the Reporting year	**-**	**-**	**-**	**1,811.40**	**(20.02)**	**-**	**-**	**-**	**1,791.38**
Transactions with owners in their capacity as owners:									
Dividends and Dividend Distribution Tax;									
- Final Dividend (Rs.2 per share)	-	-	-	(65.49)	-	-	-	-	(65.49)
- Dividend Distribution Tax	-	-	-	(27.52)	-	-	-	-	(27.52)
Transfer to General Reserve	-	400.00	-	(400.00)	-	-	-	-	-
Demerger Adjustment (refer note no.26 (L))	(1,605.00)	(2,909.95)	-	(175.02)	61.46	1,096.53	830.62	-	(2,701.36)
Balance at the end of the reporting year ending 31st March 2019	**-**	**(309.95)**	**1.52**	**1,818.40**	**57.58**	**1,096.53**	**830.62**	**-**	**3,494.70**
Demerger Adjustment (refer note no.26 (L))	-	-	-	-	-	-	(830.62)	187.52	(643.10)
Profit for the Current Reporting year ending 31st March 2020	-	-	-	3,818.63	-	-	-	-	3,818.63
Other Comprehensive Income	-	-	-		(32.95)	-	-	-	(32.95)
Total Comprehensive Income for the Reporting year	**-**	**-**	**-**	**3,818.63**	**(32.95)**	**-**	**(830.62)**	**187.52**	**3,142.58**
Transactions with owners in their capacity as owners:									
Dividends and Dividend Distribution Tax;									-
- Interim Dividend (Rs 2 Per shares)	-	-	-	(258.62)	-	-	-	-	(258.62)
- Dividend Distribution Tax	-	-	-	(53.17)	-	-	-	-	(53.17)
Transfer to General Reserve	-	1,850.00	-	(1,850.00)	-	-	-	-	-
Balance at the end of the reporting year ending 31st March 2020	**-**	**1,540.05**	**1.52**	**3,475.24**	**24.63**	**1,096.53**	**-**	**187.52**	**6,325.49**

Nature and Purpose of each component of equity	**Nature and Purpose**
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Capital Reserve	Amount pertaining to forfeiture of shares
Retained Earnings	Accumulated balance of total Comprehensive income for the year
Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
Equity Component of Compound Financial Interest	The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.Financial Liabilities are recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.
Share Suspense	Amount pertaining to equity shares & Preference share pending allotment to shareholders of HLE Engineers Pvt Ltd and cancellation of shares held by HLE Engineers Pvt Ltd pursuant to the scheme.

This is the Statement of Changes in Equity referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

	Particulars		Year Ended 31 March 2020		Year Ended 31 March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	NET PROFIT BEFORE TAX		**5,293.92**		**2,534.95**
	Adjustment for :				
	Depreciation	722.42		633.02	
	Finance Cost (including fair value change in financial instruments)	1,091.18		1,390.15	
	Foreign currency transactions and translation gain (net)	(5.42)		(20.12)	
	Share in Profit- H L Equipment (Partnership Firm)	(385.47)		(254.98)	
	Provision for doubtful debts/advances	20.80		7.07	
	Interest Income	(127.44)		(121.66)	
	Dividend Income	(0.01)		(0.01)	
	Deferred income	(41.39)		-	
	Bad Debts written off	-		24.83	
	Remeasurements of Defined benefit plans	(46.49)		(27.74)	
	Net gains on sales of investments	(2.54)		(1.98)	
	Cessation of liability	(10.72)		(35.35)	
	Advances written off	35.09		Nil	
	Loss / (Gain) on Sale / Disposal of Fixed Assets	24.54	**1274.55**	(2.55)	**1,590.68**
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**6,568.47**		**4,125.63**
	Trade receivables	(1041.07)		543.21	
	Other Non Current Assets	-		13.89	
	Other Current Assets	464.25		(407.34)	
	Other Financial Assets	(429.92)		301.92	
	Inventories	(1,932.45)		(1,640.17)	
	Trade Payable	504.12		417.71	
	Provisions	106.80		39.13	
	Other Non Current Financial Liabilities	128.61		(80.87)	
	Other non-current liabilities	-		(15.04)	
	Other Current Financial Liabilities	51.51		42.14	
	Other liabilities	512.61	**(1635.54)**	1,697.65	**912.23**
	CASH GENERATED FROM OPERATIONS		**4,932.93**		**5,037.86**
	Direct Taxes paid		**(1,004.03)**		**(581.99)**
	NET CASH FROM OPERATING ACTIVITIES		**3,928.90**		**4,455.87**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets including Capital Work in Progress And Capital Advance	(2,208.28)		(1,665.90)	
	Proceeds from Sale of Fixed Aseets	6.86		98.45	
	Increase in Investment in HLEQ	(93.59)		(798.49)	
	Share in Profit- H L Equipment (Partnership Firm)	385.47		254.98	
	Fixed Deposits with Banks	299.37		(80.41)	
	Purchase of current investment	(870.00)		(918.00)	
	Proceeds from sale of current investments	872.54		1,020.30	
	Loans (Financial assets)	(17.90)		0.10	
	Interest Income	123.23		121.66	
	Dividend income	0.02		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		**(1,502.28)**		**(1,967.30)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020 (CONTD..)

(Rs. in Lakhs)

Particulars		Year Ended 31 March 2020		Year Ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds from Working Capital Facilities (Net)	(1,685.35)		(637.97)	
Proceeds from long-term borrowings	764.33		902.18	
(Repayments) of Term Loans	(821.29)		(572.24)	
Changes in Financial Liabilities	(90.00)		(180.00)	
Interest paid	(799.32)		(1,390.15)	
Dividend and Corporate Dividend Tax	(312.89)		(93.00)	
NET CASH FROM FINANCING ACTIVITIES		**(2,944.52)**		**(1,971.18)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(517.90)**		**517.39**
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2019		**634.01**		**116.62**
Cash and Cash Equivalents(Note 8)		634.01		116.62
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020		**116.11**		**634.01**
Cash and Cash Equivalents(Note 8)		116.11		634.01

Notes to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilties

	31.03.2020	31.03.2019
Opening Balance	11,278.17	11762.96
Cash inflow/ (outflow) of non-current borrowings	233.65	309.98
Cash inflow /(outflow) of current borrowings	(1,685.35)	(794.77)
Closing Balance	**9,826.47**	**11,278.17**

This is the Cash Flow Statement referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

NOTES TO THE IND AS FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

Note 1 - Significant Accounting Policies under IND AS

A) General Information

HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) is a limited company, incorporated on 26th August, 1991 in India, whose shares are publicly traded.

In accordance with the Scheme approved by the NCLT, the name of the Company has been changed from Swiss Glascoat Equipments Limited to HLE Glascoat Limited, vide the "Certificate of Incorporation pursuant to Change of Name", issued by the Registrar of Companies dated 5th December, 2019.

The Company is based in the western part of India and is engaged, inter alia, in the following businesses:

(i) Glass Lined Equipment - Manufacturing of Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories.

(ii) Other Engineering Equipment – Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.

(iii) Chemical - Manufacturing of organic chemicals.

The Registered Office of Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division and the Chemical division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat.

The Company entered into the composite scheme of arrangement for demerger of the Operating Business of HLE Engineers Private Limited and vesting of the same into Swiss Glascoat Equipments Limited which was approved by the NCLT on 24th October, 2019 and the certified copy of the order was received by the Company on 18th November, 2019. **(Refer Note 26 (L))**

B) Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

These separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value **(refer Note 25A)** and

b) Any other item as specifically stated in the accounting policy.

The Financial Statement is presented in Indian Rupee ("INR").

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

The financial statements of the Company for the year ended 31st March, 2020 were authorised for issue in accordance with a resolution of the directors on 20th June, 2020.

iii. Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. **(Refer Note 26(e))**

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

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

Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

C) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (as per sl.no.13 below) and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and having value of Rs. 50,000 or more individually are capitalized and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

Description of the Asset	Estimated Useful life
Tangible:	
Building Factory	30 Years
Plant and Equipment	3-25 Years
Furniture and Fixtures	10 Years
Computers and Computer Servers	3-6 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings and Air conditioners	5-10 Years
Renewable Energy Saving Device – Windmill	22 Years
Vehicles	8-10 Years
Right of use assets (Land)	Primary period of lease is 99 years
Intangible:	
Software	3-5 Years
Technical Know How	10 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates. Depreciation on all assets is provided on straight line basis. Plant and Machinery, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property plant and equipment added/disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) and Patents acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3) Impairment of tangible (PPE) and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but 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 or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

4) Inventories:

Inventories consisting of stores and spares, raw materials, Work in progress and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Cost of raw material, components and stores and spares is determined on a first in first out basis for Glass Lined Equipment division and on a weighted average method for Other Engineering Equipment and Chemical divisions.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognised as expenses in the period in which the related revenue is recognised.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit And Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

5) Leases:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land. 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.

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.

6) Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

7) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognised, however, disclosed in financial statement when inflow of economic benefits is probable

8) Foreign Currency Transactions:

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

9) Share Capital and Share Premium:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

10) Dividend Distribution to equity shareholders:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

11) Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

12) Revenue Recognition:

The Company derives revenues primarily from sale of goods comprising of

(i) Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories,

(ii) Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories, and

(iii) Organic chemicals.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue from sale of services is recognised when the activity is performed.

Revenue is measured based on the transaction price, which is the consideration, adjusted for delayed delivery of goods/ discounts to customer as specified in the contract with the customers. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Company gives warranties on certain products, undertaking to repair or replace the item that failed to perform satisfactorily during the warranty period. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as delayed delivery of goods/ discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

13) Borrowing costs:

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

14) Employee Benefits:

a) Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) Post Employment Benefits:

The Company provides the following post employment benefits:

i) Defined benefit plans such as gratuity ; and

ii) Defined contributions plan such as provident fund.

d) Defined Benefits Plans:

The cost of providing benefits on account of gratuity obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of this benefit is provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expenses in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund is recognised as an expense when employees have rendered the service entitling them to the contribution.

15) Taxes on Income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) Current Tax:

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

16) Earnings per Share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

17) Current versus non-current classification:

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

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

18) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

19) 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. The Company recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair value through profit and loss (FVTPL):

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition 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 and 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, to realise the assets and settle the liabilities simultaneously.

Segment Reporting:

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities, respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

(Rs. in Lakhs)

Note 2 (a) : Property, Plant and Equipment														Note 2 (c) : Intangible Assets		
Particulars	**Right of use assets (Land)**	**Freehold Land**	**Buildings**	**Plant and equipment**	**Windmill**	**Tools and Equipments**	**Electric Installation and Equipment**	**Furniture and fixtures**	**Vehicles**	**Office equip-ment**	**Computers**	**Air Conditio-ners**	**Total**	**Computer Software**	**Technical Know How**	**Total**
Gross Block																
Carrying value as at 31 March 2018	-	31.38	1,963.22	4,077.58	266.91	180.51	280.03	123.37	307.25	89.54	106.19	3.62	7,429.60	73.31	585.50	658.81
Additions	-	-	439.93	1,114.73	-	75.25	6.52	2.19	6.25	3.75	6.12	2.99	1,657.73	4.42	-	4.42
Disposals	-	-	-	(248.83)	-	(6.72)	(0.18)	-	(83.93)	-	-	-	(339.66)	-	-	-
Carrying value as at 31 March 2019	-	31.38	2,403.15	4,943.48	266.91	249.04	286.37	125.56	229.57	93.29	112.31	6.61	8,747.67	77.73	585.50	663.23
Additions		-	153.17	937.54	-	94.71	107.13	1.47	174.72	39.60	16.77	1.18	1,526.29	19.75	-	19.75
Transfer from prepaid lease rental	43.42	-	-	-	-	-	-	-	-	-	-	-	43.42	-	-	-
Disposals	-	-	-	(103.64)	-	-	(0.30)	-	(2.75)	-	(20.78)	-	(127.47)	-	-	-
Carrying value as at 31 March 2020	43.42	31.38	2,556.32	5,777.38	266.91	343.75	393.20	127.03	401.54	132.89	108.30	7.79	10,189.91	97.48	585.50	682.98
Depreciation Block																
Accumulated depreciation / Amortisation as at the 31 March 2018	-	-	130.61	410.12	95.31	25.79	36.69	26.67	95.87	38.24	45.49	1.43	906.22	19.69	74.80	94.49
Depreciation / Amortisation for the year	-	-	83.67	322.82	10.03	15.98	31.68	14.08	41.58	15.87	25.29	0.99	561.99	14.10	56.78	70.88
Disposals	-	-	-	(178.70)	-	(3.79)	(0.03)	-	(61.24)	-	-	-	(243.76)	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2019	-	-	214.28	554.24	105.34	37.98	68.34	40.75	76.21	54.11	70.78	2.42	1,224.45	33.79	131.58	165.37
Depreciation / Amortisation for the year	0.60	-	92.74	371.77	10.08	41.71	33.12	13.82	46.93	18.66	21.16	1.14	651.75	13.78	56.89	70.67
Disposals	-	-	-	(65.88)	-	-	(0.19)	-	(1.97)	-	(20.61)	-	(88.65)	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2020	0.60	-	307.02	860.13	115.42	79.69	101.27	54.57	121.17	72.77	71.33	3.56	1,787.53	47.57	188.47	236.04
Net Block																
As at 31 March 2019	-	31.38	2,188.87	4,389.24	161.57	211.06	218.03	84.81	153.36	39.18	41.53	4.19	7,523.22	43.94	453.92	497.86
As at 31 March 2020	42.82	31.38	2,249.30	4,917.25	151.49	264.06	291.93	72.46	280.37	60.12	36.97	4.23	8,402.38	49.91	397.03	446.94
Note 2 (b) : Capital Work-in-Progress																
As at 31 March 2019													414.01			
As at 31 March 2020													1,000.58			

The amount of borrowing cost capitalised during the year ended 31st March 2020- Rs. 8.47 lakhs(Previous Year Rs. 19.14 lakhs)

Note 3 - Other Financial Assets(Secured, considered good) **(Rs. in Lakhs)**

	Particulars	**Non-Current**		**Current**	
		As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
a	Bank deposits with more than 12 months maturity	6.20	6.20	-	-
	Others;				
	Security deposits	65.23	62.66	3.34	2.78
b	Interest accrued on loans and deposits	-	-	32.59	28.37
	Other assets	-	-	7.43	-
	Export benefit receivable (Duty drawback)	-	-	454.11	13.38
	Goods & service tax refund receivable	-	-	-	19.71
	IT refund receivable	-	-	128.91	-
	Total	**71.43**	**68.86**	**626.38**	**64.24**

Note 4 - Other Assets

	Particulars	**Non-Current**		**Current**	
		As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
a	Capital advances	154.84	11.33	-	-
	Advances other than capital advances	-	-	36.05	-
	Advances to employees	-	-	0.31	0.49
b	Advances to suppliers	-	-	376.33	355.30
	Considered doubtful	-	-	4.21	4.21
	Less:-Provision for doubtful advances	-	-	(4.21)	(4.21)
		-	-	376.33	355.30
	Sub Total	**154.84**	**11.33**	**412.69**	**355.79**
	Others				
c	Balance with govt. authorities	-	-	595.29	1,084.66
	Prepaid expenses	0.19	43.01	65.42	54.36
	Sub Total	**0.19**	**43.01**	**660.71**	**1139.02**
	Total	**155.03**	**54.34**	**1073.40**	**1494.81**

(Rs. in Lakhs)

Note 5 : Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	5,664.78	5,196.69
Work-in-progress	7,087.02	5,715.28
Finished goods	1,182.07	1,070.54
Stores and spares	334.24	353.15
Total	**14268.11**	**12335.66**

Note 6 : Investments

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investment in Subsidiary				
i. Partner in H.L Equipment with profit / loss sharing ratio of 80%	900.54	806.96	-	-
Total	**900.54**	**806.96**	**-**	**-**
Agrregate value of unquoted investment	900.54	806.96	-	-

Details of Partnership	Ratio	As at 31 March 2020	As at 31 March 2019
M/s HLE Glasscoat Ltd	80.00%	900.54	806.96
Mr. Himanshu K Patel	8.20%	58.36	39.68
Mr. Harsh H Patel	2.20%	14.59	12.36
Mr. Aalap N Patel	8.00%	53.43	18.46
Mrs. Sheetal H Patel	1.60%	10.16	24.81
Total	**100.00%**	**1,037.09**	**902.27**

Note 7 : Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good #	4,301.87	3,161.85
Doubtful	23.65	2.86
Less: Impairment provision on expected credit loss model	(23.65)	(2.86)
Total	**4,301.87**	**3,161.85**

of the above , trade receivable due from related party Rs. 326.92 Lakhs (Previous Year Rs. 276.62 Lakhs)(refer note no.26 f)

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Note 8 : Cash and Cash Equivalents(as per Cash Flow Statement)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks (of the nature of cash and cash equivalents)	112.55	631.16
Cash on hand	3.56	2.85
Total	**116.11**	**634.01**

(Rs. in Lakhs)

Note 9 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Margin money deposits with a bank	747.92	1,048.75
Others:		
Unclaimed dividend account	77.21	78.30
Total	**825.13**	**1,127.05**

Note 10 : Loans

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Loans to employees	29.68	11.80
Total	**29.68**	**11.80**

Note 11 : Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
NON CURRENT		
Secured		
Term loans;		
- from banks and financial institution	3,117.57	3,260.82
Interest accrued on term loan	34.57	9.08
Preference Share Liability (Refer notes below)		
18,75,152 9.50% redeemable preference shares of Rs. 10 each	2,274.66	2,735.76
Sub - Total	**5,426.80**	**6,005.66**
CURRENT		
Secured		
Loans repayable on demand		
- from banks and financial institution	1,915.73	2,887.87
Unsecured		
Loan from directors (refer note no.26 f)	167.86	925.32
Loan from Relatives of Directors (refer note no.26 f)	305.27	311.13
Inter corporate loan (refer note no.26 f)	300.00	300.00
Interest accrued on unsecured loan	73.33	23.21
Sub - Total	**2,762.18**	**4,447.53**
Total	**8,188.98**	**10,453.19**

Non-Current Borrowing

1) Term loans taken from RBL Bank is secured by hypothecation by way of pari passu charge on all present and future current assets, movable and immovable fixed assets (except plant and machinery which are funded against term loan availed from HDFC Bank). Entire facilities obtained from RBL bank are secured by creation of collateral security by way of Equitable Mortgage by way of first pari passu charge over immovable properties owned by the Company, Directors, and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The loan is also secured by personal guarantee of Directors. The loan is repayable in 54 equal monthly instalments commencing from December 2016, and carries an interest rate of 12.50% p.a. (March 31, 2019: 12.50% p.a) respectively.

2) Term loan from Bajaj Finance Limited is secured by hypothecation of immovable property owned by Directors. The loan is repayable in 84 quarterly instalment commencing from November 2017 and carries interest of 10.75% p.a. (March 31, 2019: 10.75% p.a) payable on monthly basis.

(Rs. in Lakhs)

3) Term loan from State bank of India is secured by hypothecation charge over specific plant & machinery present and future acquired out of the term loan and further secured by pari passu equitable mortgage of building and other fixed asset of the company. Repayable in 60 /78/48 instalment beginning April-2016 ,Oct-2019 and Oct-2020 respectively. Interest @ 1/ 1.25/2% above MCLR-1Y with a minimum of 9.55%/ 9.8%/10.05% p.a. (March 31, 2019: 9.55%/9.8%/N.A p.a) respectively rising or falling therewith, on daily products with monthly rests.

4) Pursuant to the order of The National Company Law Tribunal, Ahmedabad Bench dated 18th November, 2019, HLE Glascoat ltd has cancelled 32,25,953 equity shares. In lieu of the cancelled shares, HLE Glascoat Ltd has issued 18,75,152 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each. Each Preference share entitled for cumulative preference dividend of 9.5% p.a. and redeemable in five equal annual instalments starting from June,2020.

5) Vehicle loan taken from HDFC Bank is secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly instalment from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 9.50% p.a. [March 31, 2019: 9.50% p.a.]

6) Vehicle loan taken from HDFC Bank is secured by hypothecation of related vehicle taken on loan. Loan is repayable by equal monthly instalment from the month subsequent to the disbursement of the loan.Interest is payable on monthly basis @ 8.70% p.a. [March 31, 2019: 8.70% p.a.]

7) Vehicle loans taken from financial institutions is secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. The interest is payable on monthly at 11.05% p.a. [March 31, 2019: 11.05% p.a.]

Current Borrowing

1) Working capital facilities including Packing credit and Foreign bill discounting from RBL Bank is secured by hypothecation by way of pari passu charge on all stock, book debts, plant and machinery (except plant and machinery which are funded against term loan availed from HDFC Bank), both present and future. Entire facilities obtained from RBL Bank are secured by creation of collateral security by way of Equitable Mortgage along with pari passu charge over immovable properties owned by the Company, Directors and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The rate of interest for cash credit is 10.45 % (MCLR+1%) [March 31, 2019: 11.25% (MCRL+1%)] and for other facilities is LIBOR plus 250 bps [March 31, 2019: LIBOR plus 250 bps]

2) Working capital facilities including Packing credit and Foreign bill discounting from HDFC bank is secured by hypothecation by way of first and exclusive charge on all present and future stock and book debts. Entire facilities obtained from HDFC bank are secured by creation of collateral security by way of Equitable Mortgage along with pari passu charge with RBL Bank over immovable properties owned by the Company, Directors and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The rate of interest for cash credit is 10.05% (MCLR+2.35%) p.a. [March 31, 2019: 11.10% (MCLR+2.35%) p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2019: LIBOR plus 250 bps].

3) Working capital loan from a bank is secured by hypothecation of Current Assets of the Company and further secured by a pari passu equitable mortgage of building and other Fixed Assets. Interest @ 1% above MCLR-1Y with a minimum of 9.05% p.a. [March 31, 2019 Interest @ 1% above MCLR-1Y with a minimum of 9.05% p.a.] rising or falling therewith, on daily products with monthly rests.

4) The unsecured loan taken from directors and relatives carrying an interest @ 9% p.a. [March 31, 2019: 9% p.a.] is re-payable on demand.

Note 12 : Trade Payables (Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding due of micro, small and medium enterprises	369.02	607.65
Outstanding due of Creditors other than of micro, small and medium enterprises	6,488.89	5,514.56
Total	**6,857.91**	**6,122.21**
Of the above;		
- Acceptances	1415.98	1138.32
- Payable to related party Rs. 146.93 lakhs (Previous Year Rs. 60.94 Lakhs)(Refer Note 26 f)		

(Rs. in Lakhs)

Note 13 : Other Financial Liabilities

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Current maturities of long-term debt	-	-	1,637.49	824.98
Unclaimed dividends	-	-	77.21	78.30
Others :				
Security deposit	1.57	3.54	5.08	1.44
Employee related payable	-	-	322.66	226.36
Capital creditors	-	-	125.06	21.21
Others	-	-	-	88.75
Total	**1.57**	**3.54**	**2,167.50**	**1,241.04**

Note 14 : Deferred Tax Liabilities - (Net)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Deferred tax liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE , Intangibles and others	324.60	260.81
Total	**324.60**	**260.81**

Particulars	**PPE and Intangible Assets**	**Other Items**	**MAT Credit**	**Total**
At 1 April 2019	1,107.77	(38.10)	(808.86)	260.81
(Charged)/credited:				
- to profit or loss	64.89	(1.10)	-	63.79
At 31 March 2020	**1,172.66**	**(39.20)**	**(808.86)**	**324.60**

Note 15 : Other Liabilities

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Contract liability (Advance from customers)#	-	-	6,122.17	5,498.15
Other advances	-	-	10.95	-
Statutory dues	-	-	99.24	228.49
Liabilities for expenses	-	-	184.73	187.30
Others				
Unamortised govt. grant	14.47	55.86	-	-
Deferred income (Patent)	-	-	-	1.25
Total	**14.47**	**55.86**	**6,417.09**	**5,915.19**

of the above , advance from related party Rs. 17.02 (Previous Year Rs. 174.21 Lakhs)(refer note no.26 f)

During the year ended 31st March, 2020, the Company recognised revenue of Rs. 5293.95 Lakhs (Previous Year Rs. 3123.90 lakhs) arising from opening unearned revenue (contract liabilities).

(Rs. in Lakhs)

Movement of contract liabilities is as under;

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
As at beginning of the year	5498.15	3321.51
Recognised as revenue from contracts with customers	5293.95	3123.90
Advance returned back to customer	-	140.27
Advance from customers received during the year	5917.97	5440.81
Balance at the close of the year	6122.17	5498.15

Note 16 : Provisions

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Provision for employee benefits	-			
Gratuity	-	-	98.95	34.59
Leave benefits	40.36	33.75	13.21	11.13
Provision for unexpired warranty	-	-	39.47	5.72
Total	**40.36**	**33.75**	**151.63**	**51.44**

Movement of Provision for unexpired warranty

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Opening balance	5.72	-
Add: Additional provision made during the year	38.80	5.72
Less: Provision amount used during the year	5.05	-
Closing balance	**39.47**	**5.72**

Movement of Provision for employee benefits

Opening balance	79.47	46.06
Add: Additional provision made during the year	123.00	55.07
Less: Provision amount used during the year	49.95	21.66
Closing balance	**152.52**	**79.47**

Note 17 : Revenue from Contract with Customers

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Revenue from Operations		
Sale of goods	37,709.36	32,905.32
Sale of services	797.07	511.90
Other operating revenues:		
Scrap sales	234.63	246.90
Miscellaneous	3.45	13.96
Total	**38,744.51**	**33,678.08**

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Gross sales (contracted price)	37,750.76	32,920.91
Reductions towards variable consideration (Discounts & delayed delivery charges)	41.40	15.59
Revenue recognised	37,709.36	32,905.32

(Rs. in Lakhs)

Note 18 : Other Income

Particulars	As at 31 March 2020	As at 31 March 2019
Interest income	127.44	121.66
Dividend income from others	0.01	0.01
Income from Govt. Grants;		
Export incentives	101.61	44.47
Net gains on sales of investments	2.54	1.98
Net gain on foreign currency transaction	5.42	20.12
Gain on sale of property, plant and equipment	5.14	42.37
Deferred income	42.64	14.34
Cessation of liability	10.72	35.35
Share of profit - partnership firm	385.47	254.98
Miscellaneous income	97.08	41.70
Total	**778.07**	**576.98**

Note 19 : Cost of Materials consumed

Particulars	As at 31 March 2020	As at 31 March 2019
Opening stock of raw materials	5,196.69	3,689.51
Purchases during the year	21,131.76	20,048.50
Closing stock of raw materials	(5,664.78)	(5,196.69)
Total	**20,663.67**	**18,541.32**

Note 20 : Changes in inventories of finished goods and work-in-progress

Particulars	As at 31 March 2020	As at 31 March 2019
Closing stock:		
Finished goods	1,182.08	1,070.55
Work-in-progress	7,087.02	5,715.28
	8,269.10	6,785.83
Less: Opening stock:		
Finished goods	1,070.55	1,798.25
Work-in-progress	5,715.28	4,914.10
	6,785.83	6,712.35
Total	**(1,483.27)**	**(73.48)**

Note 21 : Employee Benefits Expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries and wages	2,875.37	2,433.03
Contribution to provident, gratuity and other funds	117.28	102.46
Staff welfare expenses	126.62	122.43
Total	**3,119.27**	**2,657.92**

(Rs. in Lakhs)

Note 22 : Finance Costs

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Interest on loans	459.90	667.30
Interest on working capital facilities	386.79	402.85
Interest - others	27.33	6.41
Dividend on redeemable preference Share	21.48	21.48
Other borrowing costs;		
Unwinding of discount relating to long term liabilities	287.88	273.99
Others	-	18.12
	1,183.38	**1,390.15**

Note 23 : Other Expenses

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Stores and spares consumed	1,569.21	1,490.27
Power and fuel	2,089.59	1,818.19
Processing expenses	3,524.34	2,643.56
Rent	19.64	69.82
Rates and taxes	25.42	29.81
Insurance	74.00	59.03
Printing and stationery	31.08	28.57
Repairs and renewals:		
Buildings	89.68	60.35
Plant and machinery	361.40	320.50
Other assets	13.42	6.15
Travelling and conveyance	103.63	103.86
Communication expenses	30.23	21.11
Vehicle expenses	49.92	31.92
Auditors remuneration:		
Audit fee	16.04	15.50
Tax audit fee	2.00	2.00
	18.04	**17.50**
Director's sitting fee	3.15	3.75
Director's travelling	11.99	23.34
Sales promotion expenses	24.78	85.04
Bad debts written-off	-	24.83
Donation (Refer note 26 p)	1.49	11.31
Corporate social responsibility expense (Refer note 26 h)	17.76	15.98
Security expenses	43.52	25.63
Commission	441.38	421.83
Freight and forwarding (Net)	674.07	495.56
Laboratory expense	25.14	27.25
Packing expenses	59.51	53.61
Pollution control exp	86.45	119.95
Provision for doubtful advances/debts	20.80	7.07
Advances written off	35.09	-
Bank charges	106.60	54.10
Loss on sale/ de-recognition of assets	29.68	39.82
Legal and professional fees	246.18	253.84
Warranty expense	33.75	5.72
Miscellaneous expenses	162.26	201.91
	10,023.19	**8,571.18**

(Rs. in Lakhs)

Note 24

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

Particulars	As at 31st March 2020	As at 31st March 2019
Interest bearing Loans and Borrowings	7,064.29	6,830.64
Less: Cash and Short Term Deposits	941.24	1,761.06
Net Debt	6,123.05	5,069.58
Equity	1,293.11	650.00
Other Equity	6,325.49	3,494.70
Total Capital	7,618.60	4,144.70
Capital and Net Debt	13,741.65	9,214.28
Gearing Ratio %	44.56%	55.02%

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

a) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans, borrowings, foreign currency receivables and payables .

i) Interest Rate Risks

Interest rate risk can be either fair value interest rate 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 rate. 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.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31st March 2020	31st March 2019
Fixed-rate Instruments		
Borrowings	9,826.47	11,278.17

Fair value sensitivity analysis for fixed-rate instruments

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

ii) Commodity Price Risks

The company is affected by price stability of certain commodity due to significantly increase volatility of certain commodities , the company has entered into contracts with the customers that has provision to pass on the change in raw material prices . The company has risk management framework aimed at prudently managing the risk arising from volatility in commodity prices.

(b) Credit Risk Management :

It is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

(Rs. in Lakhs)

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

The ageing of trade receivables is as follows:

Particulars	31st March 2020	31st March 2019
More than 6 months	297.29	9.72
Others	4,004.58	3,152.13
	4,301.87	3,161.85

The amounts reflected in the table above are not impaired as on the reporting date.

(c) Liquidity Risk Management :

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	11 & 13	4,399.67	4,241.01	1,185.79	-
		(5,272.50)	(4,969.92)	(870.46)	(165.28)
Trade Payable	12	6,857.91	-	-	-
		(6,122.21)	-	-	-
Security Deposit	13	5.08	1.57	-	-
		(1.44)	(3.54)	-	-
Employee Benefit/ Expense liabilities	13	322.66	-	-	-
		(226.36)	-	-	-
Unclaimed dividends	13	77.21	-	-	-
		(78.30)	-	-	-
Others	13	125.06	-	-	-
		(109.96)	-	-	-

Figures in brackets are in respect of Previous year

Note 25 : Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	As at 31 March 2020	As at 31 March 2019
Accounting Profit before Income Tax	**5,293.92**	**2,534.95**
At statutory income tax rate of 29.12% (31 March 2019: 21.55%)	1,528.05	546.25
Effect of exempt / Lower tax non-operating income	(112.25)	(54.94)
Effect of non-deductible expenses	11.34	63.76
Changes in recognised deductible temporary differences	63.80	168.48
Earlier year tax adjustments	(15.65)	-
	1,475.29	**723.55**

(Rs. in Lakhs)

Note 25 A : Fair Values and Hierarchy

1. Financial instruments – Fair values

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
31 March 2020	**Note No.**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets									
Investments	6	-	-	900.54	900.54	-	-	900.54	900.54
Trade receivables	7	-	-	4,301.87	4,301.87	-	-	4,301.87	4,301.87
Loans	10	-	-	29.68	29.68	-	-	29.68	29.68
Others financial assets	3	-	-	697.81	697.81	-	-	697.81	697.81
Cash and cash equivalents	8	-	-	116.11	116.11	-	-	116.11	116.11
Bank balances other than above	9	-	-	825.13	825.13	-	-	825.13	825.13
		-	**-**	**6,871.14**	**6,871.14**	**-**	**-**	**6,871.14**	**6,871.14**
Financial liabilities									
Borrowings	11	-	-	9,826.47	9,826.47	-	9,826.47	-	9,826.47
Trade Payables	12	-	-	6,857.91	6,857.91	-	-	6,857.91	6,857.91
Other Financial Liabilities	13	-	-	531.57	531.57	-	-	531.57	531.57
		-	**-**	**17,215.95**	**17,215.95**	**-**	**9,826.47**	**7,389.49**	**17,215.95**

		Carrying amount				Fair value			
31 March 2019	**Note No.**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets									
Investments	6	-	-	806.96	806.96	-	-	806.96	806.96
Trade receivables	7	-	-	3,161.85	3,161.85	-	-	3,161.85	3,161.85
Loans	10	-	-	11.80	11.80	-	-	11.80	11.80
Others financial assets	3	-	-	133.10	133.10	-	-	133.10	133.10
Cash and cash equivalents	8	-	-	634.01	634.01	-	-	634.01	634.01
Bank balances other than above	9	-	-	1,127.05	1,127.05	-	-	1,127.05	1,127.05
		-	**-**	**5,874.77**	**5,874.77**	**-**	**-**	**5,874.77**	**5,874.77**
Financial liabilities									
Borrowings	11	-	-	11,278.17	11,278.17	-	11,278.17	-	11,278.17
Trade Payables	12	-	-	6,122.21	6,122.21	-	-	6,122.21	6,122.21
Other Financial Liabilities	13	-	-	419.60	419.60	-	-	419.60	419.60
		-	**-**	**17,819.98**	**17,819.98**	**-**	**11,278.17**	**6,541.81**	**17,819.98**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

(Rs. in Lakhs)

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
Profit after taxation	3,818.63	1,811.40
Weighted average number of equity shares for the purpose of basic earnings per share (no's in lakhs)	1,29,31,076	1,29,31,076
Earnings per share		
Basic	29.53	14.01
Diluted	29.53	14.01

b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under:

	Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	369.02	607.65

	Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	369.02	607.65
(ii)	Interest accrued and due to suppliers on above amount, unpaid	11.06	9.48
(iii)	The amount of interest paid by the buyer in terms of Section16 of the MSMED Act,2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	0.30	0.26
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	11.36	9.74
(vi)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	9.44	3.70

Dues to MSME have been determined to the extent such parties have been identified on the basis of information certified by the management. This has been relied upon by the auditors.

c) Disclosure required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015; and section 186(4) of the Companies Act,2013 :

1. Amount of Loans and advances in the nature of loans outstanding from subsidiaries Rs Nil (Previous Year Rs Nil)
2. Loans to employees have been considered to be outside the purview of disclosure requirements.
3. Investment by Loanee in the shares of the Parent company- Not applicable (Previous Year Nil)

d) Expenditure on Research and Development

Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
Revenue expenditure:		
Employee benefit expenses	76.50	64.11
Labour charges	23.56	7.89
Power and fuel	16.81	15.13
Repair & maintenance	30.91	8.86
Freight and forwarding expenses	0.06	0.18
Travelling and conveyance	0.03	8.52
Legal & professional fees	-	46.04
Laboratory expense	8.39	9.69
Miscellaneous expenses	0.01	-
Sub- Total	**156.27**	**160.41**

(Rs. in Lakhs)

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Capital expenditure:		
R & D Plant and Machinery	116.19	-
R & D Computers	0.38	-
R & D Furniture & Fixtures	5.44	-
Sub- Total	**122.01**	**-**
Total	**278.28**	**160.41**

This information complies with the terms of the R & D recognition granted upto 31st March 2021 for the Company's in-house Research and Development activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their Letter No. F.No. TU/IV-RD/3905/2018 Dtd. 26th April, 2018.

e) **Disclosures as per IND AS - 19 - Employee Benefits**

1) During the year , the company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
i) **Employer's contribution to Provident Fund***	64.77	57.33
*Included in " Contribution to Provident and other Funds" (Note 21).		
ii) **Leave Encashment - Unfunded**	14.23	11.64
iii) **Defined benefit obligation:**		

a) The valuation results for the defined benefit gratuity plan as at 31-3-2020 are produced in the tables below:

i) **Changes in the Present Value of Obligation**

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Present Value of Obligation as at the beginning	**314.69**	259.15
Current Service Cost	31.98	29.28
Interest Expense or Cost	23.03	19.87
Liability Transfer Out	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	23.95	7.66
- experience variance (i.e. Actual experience vs assumptions)	20.99	14.04
Past Service Cost		
Benefits Paid	(24.89)	(15.31)
Present Value of Obligation as at the end	**389.75**	**314.69**

ii) **Changes in the Fair Value of Plan Assets**

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Fair Value of Plan Assets as at the beginning	**280.10**	279.97
Investment Income	20.47	21.48
Adjustment to opening Fair Value of Plant Asset	-	-
Return on Plan Assets excluding interest income	(1.55)	(6.04)
Employer's Contribution	16.66	-
Benefits Paid	(24.88)	(15.31)
Fair Value of Plan Assets as at the end	**290.80**	**280.10**

(Rs. in Lakhs)

iii) Expenses Recognised in the Income Statement

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Current Service Cost	31.98	29.28
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.55	(1.61)
Expenses Recognised in the Income Statement	**34.53**	**27.67**

iv) Other Comprehensive Income

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Actuarial (gains) / losses	-	-
- change in financial assumptions	23.95	7.66
- change in demographic assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	20.99	14.03
Adjustment of present value of oligation at the beginning of the year	-	-
Return on Plan Assets excluding interest income	1.55	6.05
Components of defined benefit costs recognised in other comprehensive income	**46.49**	**27.74**

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Funds managed by Insurer	100%	100%
- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.		

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	Year Ended 31-March-2020	Year Ended 31-March-2019
Discount rate (per annum)	6.59%	7.41%
Salary growth rate (Anand Unit)	6.00%	5.00%
Salary growth rate (Maroli Unit)	10.00%	10.00%

b. Demographic Assumptions

Particulars	Year Ended 31-March-2020	Year Ended 31-March-2019
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on age: (per annum)	7.50%	7.50%
For service 4 years and below	20.00%	7.50%
For service 5 years and above	10.00%	7.50%

(Rs. in Lakhs)

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**Year Ended 31-March-2020**	**Year Ended 31-March-2019**
Defined Benefit Obligation (Base)	389.75	314.69

Particulars	**Year Ended 31-March-2020**		**Year Ended 31-March-2019**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	25.17	(22.20)	18.21	9.24
(% change compared to base due to sensitivity)	*-93.5%*	*-105.7%*	*-94.4%*	*-97.2%*
Salary Growth Rate (- / + 1%)	(22.00)	24.43	7.16	19.33
(% change compared to base due to sensitivity)	*-105.6%*	*-93.7%*	*-97.8%*	*-94.0%*
Employee Turnover Rate (- / + 1%)	3.80	(3.44)	2.58	2.85
(% change compared to base due to sensitivity)	*-99.0%*	*-100.9%*	*-99.2%*	*-99.1%*

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- **Funding arrangements and Funding Policy**

  The scheme is managed on funded basis.

- **Expected Contribution during the next annual reporting period**

	Year Ended 31-March-2020	**Year Ended 31-March-2019**
The Company's best estimate of Contribution during the next year	85.00	64.20

- **Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flows)	7 Years	8 Years

- **Expected cash flows over the next (valued on undiscounted basis):**

	Year Ended 31-March-2020	**Year Ended 31-March-2019**
1 year	65.71	45.74
2 to 5 years	138.78	122.16
6 to 10 years	161.72	140.60
11 and above years	278.84	-

NOTE 26 - ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures :
(As per Ind AS 24 : Related party Disclosures) :

(a) Names of other related parties and nature of relationship :

Subsidiary :	H L Equipments
Key Management Personnel :	Mr. Himanshu Patel (Chairperson and Managing Director) Mr. Aalap Patel (Executive Director-Technical) Ms. Dhwani Shah (Company Secretary & Compliance Officer) Mr. Bipin Thakkar (Chief Financial Officer) (upto 03.08.2018) Mr. Mahesh Bhave (Chief Financial Officer) (01.09.18 to 09.03.2019) Mr. Suryakant Dave(Chief Financial Officer) (01.07.19 to 31.03.2020)
Relatives of Key Management Personnel :	Mr. Harsh H. Patel (Non-Executive Director) Mr. Nilesh K. Patel (Non-Executive Director) Ms. Swara R. Patel (daughter of Mr. Himanshu K Patel) Ms. Priti H. Patel (spouse of Mr. Himanshu K Patel) Mr. Sahil H Patel (son of Mr. Himanshu K Patel) Ms. Poonam H Patel (daughter of Mr. Himanshu K Patel) Mr. Hitesh C. Patel (brother in law of Mr. Himanshu K Patel) Ms. Bhoomi A Patel (spouse of Mr. Aalap N Patel) Mr. Daxesh Thakker (Brother of Mr. Bipin Thakkar) (upto 03.08.2018) Ms. Kishori N. Patel (wife of Mr. Nilesh K. Patel) Ms. Neha N Patel (daughter of Mr. Nilesh K Patel) Ms. Nidhi N Patel (daughter of Mr. Nilesh K Patel) Ms. Sheetal H Patel (spouse of Mr. Harsh H Patel)
Entities in which Directors are interested:	Yashashvi Rasayan Pvt Ltd. Yashaswati Foundation Yash Speciality Chemicals LLP H.N. Indigos Pvt. Ltd Maroli Udyognagar Land Development and Management Co. Pvt.Ltd. Newpar Aromatics LLP (NALLP) [upto 12th March, 2018 Newpar Aromatics Pvt. Ltd] HLE Engineers Pvt. Ltd.
Entities in which relatives of Key Management Personnel are interested :	Shri Hari Manpower Agency (upto 03.08.2018) Applied Electrostatics & Controls Private Limited Employee Gratuity Fund - HLE Glascoat Limited

(b) Transactions with related parties (excluding reimbursements) **(Rs. in Lakhs)**

Nature of Transactions	**Transactions**		**Outstanding Payable/ (Receivable)**	
	Year Ended 31-Mar-20	**Year Ended 31-Mar-19**	**Year Ended 31-Mar-20**	**Year Ended 31-Mar-19**
i) Subsidiary Company				
H. L. Equipments				
Sales of Goods/Services	1446.86	1,344.46	(136.84)	-
Purchase of Goods/Services	91.23	198.06	0.04	50.97
Contract Liabilities	-	-	-	162.62
Capital Introduced	253.04	870.00	-	-
Capital Withdrawn	610.10	366.46	-	-
Capital Balance as on Year ending	-	-	900.54	806.96
Share of Profit	385.47	254.98	-	-
Interest	65.17	39.98	-	-
Bank Guarantee's facilities provided	200.00	200.00	-	-

(Rs. in Lakhs)

Nature of Transactions		Transactions		Outstanding Payable/ (Receivable)	
		Year Ended 31-Mar-20	Year Ended 31-Mar-19	Year Ended 31-Mar-20	Year Ended 31-Mar-19
ii)	**Key Management Personnel :**				
	Remuneration*	148.40	128.86	15.11	11.48
	Commission	54.18	10.27	37.48	10.27
	Dividend (Equity Shares)	75.69	0.40	-	-
	Dividend (Preference Shares)	6.94	-	-	-
iii)	**Loan from Directors :**				
	Balance as on Year ending	-	-	167.86	925.32
	Loan Received	2617.46	4,958.31	-	-
	Loan Repaid	3374.92	5,791.59	-	-
	Interest	57.89	156.06	52.10	17.98
iv)	**Relatives of KMP :**				
	Dividend (Equity Shares)	116.32	0.41	-	-
	Dividend (Preference Shares)	10.69	-	-	-
	Sitting fee	3.15	4.05	-	-
	Remuneration*	50.00	50.00	6.58	-
	Interest	27.71	29.50	15.17	-
	Loan Balance as on Year ending	-	-	305.27	311.13
	Loan Received	-	27.63	-	-
	Loan Repaid	5.86	47.38	-	-
v)	**Companies in which Directors are interested:**				
	Sales of Goods/Services	1,029.71	564.44	(190.08)	(276.62)
	Purchase of Goods/Services	648.64	-	146.89	9.97
	Donation for Corporate Social Responsibility activity	17.76	15.61	-	-
	Rent Expense	0.60	0.60	-	-
	Contract Liabilities	-	-	17.02	11.59
vi)	**Companies in which Relatives of KMP are interested:**				
	Purchase of Services (up to 03.08.18)	-	31.30	-	-
	Balance as on Year ending	-	-	300.00	300.00
	Loan Received	-	300.00	-	-
	Loan Repaid	-	-	-	-
	Interest	27.07	25.79	6.06	-
vii)	**Gratuity fund**	16.66	-	290.80	280.10

c) **Terms and conditions of transactions with related parties;**

i) * Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

ii) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than unsecured loan at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

g) **Segment Information**

The operations of the Company are limited to three segment viz. **(i) Filtration, Drying and Other Equipment ,(ii) Glass Lined Equipment** and (iii) **Chemical Operations**. The Registered Office and Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division and the Chemical division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting. a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable"

Details of segment information: **(Rs. in Lakhs)**

Particulars	Filtration, Drying and Other Equipment		Glass Lined Equipment		Chemical		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue :								
Total External Sales	16,023.62	16,258.95	15,249.65	12,378.98	7,471.24	5,040.15	38,744.51	33,678.08
Segment Results :								
Profit/(Loss) Before Tax and Interest	2,638.77	2,331.09	1,893.33	1,170.08	1,832.98	467.34	6,365.08	3,968.51
Less : Other Unallocable Expense net of Unallocable Income							(112.22)	43.41
Less: Interest Expense							1,183.38	1,390.15
Profit/(Loss) Before Tax							**5,293.92**	**2,534.95**
Taxes							1,475.29	723.55
Net Profit after Tax							**3,818.63**	**1,811.40**
Segment assets	12,188.99	8,540.15	13,602.52	13,431.85	5,454.89	4,535.50	31,246.40	26,507.50
Unallocated segment assets							971.18	1,774.23
Total Assets							**32,217.58**	**28,281.73**
Segment liabilities	8,068.41	4,374.84	6,408.05	8,237.14	1,043.55	1,041.39	15,520.01	13,653.37
Unallocated segment liabilties							9,078.97	10,483.66
Total Liabilities							**24,598.98**	**24,137.03**
Capital Expenditure	223.34	191.66	536.54	1,463.68	786.16	6.81	1,546.04	1,662.15
Unallocated Capital Expenditure							-	-
Depreciation	228.03	223.39	354.45	277.35	135.83	128.17	718.31	628.91
Unallocated Depreciation							4.11	4.11

Geographic information **(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Geographic information		
Revenue from external customers		
India	28,808.63	26,549.41
Outside India	9,935.88	7,128.67
Total	**38,744.51**	**33,678.08**

During the year as well as previous year, there is one external customer with whom the company has earned revenue of more than 10% of its revenue. (Rs. 7,780.69 Lakhs during the year 2019-20 and Rs. 6,089.68 Lakhs during the year 2018-19).

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital Employed	7,618.60	4,144.70

h) Corporate Social Responsibility

As per Section 135 of the Companies Act,2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility(CSR) Activities A CSR Committee has been formed by the Company as per the Act. The funds were allocated to the activities which are specified in the Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is Rs. 26.77 Lakhs(Previous Year Rs. 21.45 lakhs).

b) Amount spent during the year on: **(Rs. In Lakhs)**

	Particulars	**In cash**	**Yet to be paid in cash**	**Total**
1	Construction/acquisition of any asset	- (-)	- (-)	- (-)
2	On purposes other than (1) above	17.76 (15.98)	- (-)	17.76 (15.98)

Previous Year figures are in brackets

i) Commitment

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 174.55 lakhs (Previous Year Rs. 9.90 Lakhs)

j) Contingent Liabilities not provided for:

(i) Counter guarantees given to the Banks for issuing bank guarantee - Rs. 4,313.06 Lakhs (Previous Year Rs. 2,862.56 Lakhs)

(ii) Letters of Credit issued by the Banks - Rs. 1,920.03 Lakhs (Previous Year Rs. 1,791.30 Lakhs)

(iii) Claims not acknowledged as debts:

(a) There is a pending litigation against the Company for compensation of loss of profit of Rs. 500.00 Lakhs. The Court has decided the judgement in favour of the Company, however the matter has been referred to the High Court, in the opinion of the management, no provision is considered necessary.

(b) Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 Lakhs (Prevous Year Rs. 14.74 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.19 Lakhs(Prevous Year Rs. 5.19 Lakhs).

(c) Disputed Service Tax for the period 2012 to 2015 is Rs. 29.07 Lakhs (Previous Year Rs. 29.07 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.09 Lakhs(Prevous Year Rs. 5.09 Lakhs).

(d) Disputed Service Tax for the period 2013 to 2017 is Rs. 29.48 Lakhs (Previous Year Rs. Nil) pending before CESTAT, against which the Company has made payment of Rs. 5.16 Lakhs(Prevous Year Rs. Nil).

k) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 4.06 lakhs (Previous Year - Rs. 4.10 lakhs).

l) The National Company Law Tribunal, Ahmedabad Bench vide its Order dated 24th October, 2019 has approved the Scheme of Arrangement for demerger of the Engineering and Chemical Divisions of HLE Engineers Private Limited (Demerged Company), with effect from 1st April, 2018 (the appointed date). Pursuant to the Scheme, all the Assets, Liabilities, Income and Expenses stand transferred and vested in the Company.

The accounting treatment for the demerged undertaking has been accounted as specified under the Scheme. In terms thereof, the assets and liabilities of the Engineering and Chemical Divisions of HLE Engineers Private Limited as at 1st April, 2018 have been taken over at their book values. Pursuant to the Scheme: (a) The Company has issued Equity Shares having face value of Rs. 10/- each in the ratio of 309 Equity Shares of the Company of the face value of Rs. 10/- each for every 100 equity shares of the demerged Company.These equity shares are considered for paid up equity share capital and EPS calculation in the corresponding comparative period. (b) The Company has issued 18,75,152 9.5% Compulsory Redeemable Preference Shares of Rs. 10/- each fully paid-up. These Preference Shares being in the nature of debt, a sum of Rs. 22.75 crores is accounted under the head "Borrowing". Consequently, the Company has restated its financial statements with effect from 1st April, 2018 to include the financial information of the demerged undertaking.

m) The outbreak of Coronavirus(Covid-19)globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated its impact on its businees operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statment for year ended 31st March 2020.

n) Previous period's figures have been regrouped and/or rearranged, wherever considered necessary.

o) The company has passed a circular resolution dated 22nd May, 2020 for discontinuing of its chemical unit operations at Maroli by 30th July, 2020.No effect of the above has been given in the financials as on 31st March, 2020 as the same is considered as an non-adjusting event.

p) Donation includes Rs. Nil (Previous Year Rs. 0.51 lakhs) to political party during the year.

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated IND AS Financial Statements

To the Members of HLE Glascoat Limited

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **HLE Glascoat Limited**, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary(a firm) together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Consolidated Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us and on other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2020, and their consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note 26(m) to the Standalone IND AS financial statements for the year ended March 31, 2020, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Group. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Our Response
1	**Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims** The Company has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** We performed the following substantive procedures: Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. We have assessed the value of significant provisions and contingent liabilities, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. Evaluating judgements made by the Group by comparing the estimates of prior year to the actual outcome. Assessing the Group's disclosures in the financial statements in respect of provisions and contingent liabilities. **Conclusion** We agree with management's evaluation.
2	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, rate of inflation and mortality rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year,if any. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the consolidated Ind AS financial statements and our Auditors' Report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the company and the management of the firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the Board of Directors of the company and the management of the firm included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company and the management of the firm included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in appendix A of this auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

   e) On the basis of written representations received from the directors of the Holding Company as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

      In our opinion, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The remunerations paid/provided are not in excess of the limits laid down under section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us on separate financial statements as also the other financial information of the subsidiary:

   i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - under Note No. 26(j) of the Consolidated Ind AS Financial Statements

   ii. The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses during the year ended 31st March, 2020.

   iii. There has been no delay in transferring amount required to be transferred, to the Investor Education Protection Fund by the Holding Company during the year ended 31st March, 2020.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)

(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 20036490AAAACO9804
Mumbai

Appendix A- Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF HLE GLASCOAT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **HLE Glascoat Limited** (hereinafter referred to as the "Holding Company") and its Subsidiary, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. M. NISSIM & CO
Chartered Accountants
(Firm Regn. No. 107122W)

(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 20036490AAAACO9804
Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

(Rs. in Lakhs)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	8,981.52	7,991.07
Capital Work-in-Progress	2 (b)	1,000.58	414.01
Other Intangible Assets	2 (c)	446.94	497.86
Financial Assets;			
- Others financial assets	3	76.66	73.00
Other Non-current assets	4	155.03	54.34
Current Assets			
Inventories	5	15,345.29	13,135.79
Financial Assets;			
- Trade Receivables	6	4,410.90	3,346.06
- Cash and Cash Equivalents	7	132.88	644.70
- Bank balances other than cash and cash equivalents	8	846.21	1,132.05
- Loans	9	31.45	11.76
- Others financial assets	3	630.85	64.92
Current Tax Assets		180.44	148.81
Other Current Assets	4	1,298.52	1,850.57
TOTAL ASSETS		**33,537.27**	**29,364.94**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	1,293.11	650.00
Other Equity	SOCE	6,307.81	3,472.04
Non Controlling Interest	SOCE	136.53	95.28
Total Equity		**7,737.45**	**4,217.32**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	10	5,426.80	6,005.66
- Other Financial Liabilities	12	1.57	3.54
Deferred Tax Liabilities (Net)	13	342.21	279.19
Other Non-current liabilities	14	14.47	55.86
Provisions	15	40.36	33.75
Current Liabilities			
Financial Liabilities			
- Borrowings	10	2,937.18	4,622.53
- Trade Payables	11		
Outstanding dues of Micro, Small and Medium Enterprises		483.34	690.38
Outstanding dus of Creditors other than of Micro, Small and Medium Enterprises		7,059.26	5,740.21
- Other Financial Liabilities	12	2,213.01	1,253.43
Other Current Liabilities	14	6,695.12	6,411.63
Income Tax Liabilities		434.87	-
Provisions	15	151.63	51.44
Current Tax Liabilities (Net)			
Total Liabilities		**25,799.82**	**25,147.62**
TOTAL EQUITY AND LIABILITIES		**33,537.27**	**29,364.94**
Significant Accounting Policies	1		
Accompanying Notes are an integral part of these financial statements			

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in Lakhs)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
INCOME			
Revenue from Contract with Customers	16	42,647.37	35,935.91
Other Income	17	333.75	286.51
TOTAL INCOME		**42,981.12**	**36,222.42**
EXPENSES			
Cost of Materials Consumed	18	22,979.56	19,834.22
Changes in inventories of Finished Goods and Work-in-Progress	19	(1,785.33)	(188.16)
Employee Benefits Expenses	20	3,245.40	2,707.71
Finance Costs	21	1,222.22	1,448.85
Depreciation and Amortisation Expense	2 (a) & (c)	744.43	653.39
Other Expenses	22	10,918.34	9,015.82
TOTAL EXPENSES		**37,324.62**	**33,471.83**
PROFIT BEFORE TAX		**5,656.50**	**2,750.59**
TAX EXPENSE			
Current Tax		1,689.14	730.07
MAT Credit Entitlement		-	(176.04)
Deferred Tax		63.03	344.04
Earlier year Adjustments		(15.65)	-
TOTAL TAX EXPENSE		**1,736.52**	**898.07**
PROFIT FOR THE YEAR		**3,919.98**	**1,852.52**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(46.49)	(27.74)
Income Tax relating to items that will not be reclassified to Profit or Loss		13.54	7.72
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(32.95)**	**(20.02)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,887.03**	**1,832.50**
Profit attributable to:			
Owners of the group		**3,823.61**	**1,788.78**
Non-controling interest		**96.37**	**63.74**
Other comprehensive income attributable to:			
Owners of the group		**(32.95)**	**(20.02)**
Non-controling interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the group		**3,790.66**	**1,768.76**
Non-controling interest		**96.37**	**63.74**
EARNINGS PER EQUITY SHARE	**26 (a)**		
Basic		**30.31**	**14.33**
Diluted		**30.31**	**14.33**
Significant Accounting Policies	1		
Accompanying Notes are an integral part of these financial statements			

This is the Statement of Profit and Loss referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

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Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

SHARE CAPITAL	As at 31 March 2020		As at 31 March 2019	
	Number	**Amount**	**Number**	**Amount**
Authorised Share Capital				
Equity share of Rs 10/- each	1,80,00,000	1,800.00	1,00,00,000	1000.00
Preference Shares of Rs. 10/- each	26,00,000	260.00	-	-
Issued , Subscribed and Fully Paid-up Share Capital	1,29,31,076	1,293.11	65,00,000	650.00
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	65,00,000	650.00	65,00,000	650.00
Changes in equity share capital during the year:				
Issued during the period	96,57,029	965.70	-	-
Shares cancelled by capital reduction during the period	(32,25,953)	(322.60)	-	-
Balance at the end of the reporting year	**1,29,31,076**	**1,293.11**	**65,00,000.00**	**650.00**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The holding company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Shares in the Company held by each shareholder holding more than five per cent shares	**As at 31 March 2020**		**As at 31 March 2019**	
	No.	**%**	**No.**	**%**
Patel Himanshu Khushalbhai	35,95,707	27.81%	10,000	0.15%
Patel Nilesh Khushalbhai	36,39,127	28.14%	10,000	0.15%
Patel Harsh Himanshubhai	18,59,580	14.38%	10,290	0.16%
Overseas Pearl Ltd.	4,97,400	3.85%	4,97,400	7.65%
Patel Shashikant Purshottamdas	3,53,100	2.73%	3,53,100	5.43%
HLE Engineers Pvt. Ltd.*	-	-	32,25,953	49.63%

*Pursuant to the scheme, investment in equity shares to the extent held by HLE Engineers Pvt.Ltd shall stand cancelled on 18 December 2019.

OTHER EQUITY

Particulars	Reserves and Surplus				Remeasurements of Defined Benefit Plans	Share Suspense Account	Equity Component of Compound Financial Interest	Preference Share Capital	Total Other Equity	Share of Non controlling interest
	Securities Premium	General Reserve	Capital Reserve	Retained Earnings						
Balance at the beginning of the comparative reporting Year - 1st April, 2018	**1,605.00**	**2,200.00**	**1.52**	**675.03**	**16.14**	**-**	**-**	**-**	**4,497.69**	**561.44**
Profit for the Current Reporting year ending 31st March 2019	-	-	-	1,788.78	-	-	-	-	1,788.78	63.74
Other Comprehensive Income	-	-	-	-	(20.02)	-	-	-	(20.02)	
Total Comprehensive Income for the Reporting year	**-**	**-**	**-**	**1,788.78**	**(20.02)**			**-**	**1,768.76**	**63.74**
Transactions with owners in their capacity as owners:										
Dividends and Dividend Distribution Tax;									-	
- Final Dividend (Rs.2 per share)	-	-	-	(65.49)	-	-	-	-	(65.49)	-
- Dividend Distribution Tax	-	-	-	(27.52)	-	-	-	-	(27.52)	-
Transfer to General Reserve	-	400.00	-	(400.00)	-	-	-	-	-	-
Withdrawal by Non Controlling Interest						-	-	-		(529.90)
Demerger Adjustment (refer note no.26 (L))	(1,605.00)	(2,909.96)		(175.05)	61.46	1,096.53	830.62	-	(2,701.40)	-

OTHER EQUITY *(Contd.)*

Particulars	Reserves and Surplus				Remeasure-ments of Defined Benefit Plans	Share Suspense Account	Equity Component of Compound Financial Interest	Preference Share Capital	Total Other Equity	Share of Non contro-lling interest
	Securities Premium	General Reserve	Capital Reserve	Retained Earnings						
Balance at the end of the reporting year ending 31st March 2019	**-**	**(309.96)**	**1.52**	**1,795.75**	**57.58**	**1,096.53**	**830.62**	**-**	**3,472.04**	**95.28**
Demerger Adjustment (refer note no.26 (L))							(830.62)	**187.52**	(643.10)	-
Profit for the Current Reporting year ending 31st March 2020	-	-	-	3,823.61	-	-	-	-	3,823.61	96.37
Other Comprehensive Income	-	-	-		(32.95)	-	-	-	(32.95)	-
Total Comprehensive Income for the Reporting year	**-**	**-**	**-**	**5,619.35**	**(32.95)**	**1,096.53**	**-**	**187.52**	**6,619.60**	**191.65**
Transactions with owners in their capacity as owners:										
Dividends and Dividend Distribution Tax;										
- Final Dividend	-	-	-	(258.62)	-	-	-	-	(258.62)	-
- Dividend Distribution Tax	-	-	-	(53.17)	-	-	-	-	(53.17)	-
Transfer to General Reserve	-	1,850.00	-	(1,850.00)	-	-	-	-	-	-
Withdrawal by Non Controlling Interest	-	-	-	-	-	-	-	-	-	(55.12)
Balance at the end of the reporting year ending 31st March 2020	**-**	**1,540.04**	**1.52**	**3,457.56**	**24.63**	**1,096.53**	**-**	**187.52**	**6,307.81**	**136.53**

Nature and Purpose of each component of equity	**Nature and Purpose**
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Capital Reserve	Amount pertaining to forfeiture of shares
Retained Earnings	Accumulated balance of total Comprehensive income for the year
Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
Equity Component of Compound Financial Interest	The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.Financial Liabilities are recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.
Share Suspense	Amount pertaining to equity shares & Preference share pending allotment to shareholders of HLE Engineers Pvt Ltd and cancellation of shares held by HLE Engineers Pvt Ltd pursuant to the scheme.of HLE Engineers Pvt Ltd and cancellation of shares held by HLE Engineers Pvt Ltd pursuant to the scheme.

This is the Statement of Changes in Equity referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

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Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

	Particulars		Year Ended 31 March 2020		Year Ended 31 March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	NET PROFIT BEFORE TAX		**5,656.50**		**2,750.59**
	Adjustment for :				
	Depreciation	744.43		653.39	
	Finance Cost (including fair value change in financial instruments)	1,130.02		1,448.85	
	Foreign currency transactions and translation gain (net)	(5.42)		(20.12)	
	Provision for doubtful debts/advances	38.92		14.28	
	Interest Income	(63.89)		(81.94)	
	Dividend Income	(0.01)		(0.01)	
	Deffered income	(42.64)		-	
	Bad Debts written off	-		24.83	
	Remeasurements of Defined benefit plans	(46.49)		(27.74)	
	Net gains on sales of investments	(2.54)		(1.98)	
	Cessation of liability	(12.67)		(38.02)	
	Advances written off	35.09		-	
	Loss / (Gain) on Sale / Disposal of Fixed Assets (net)	23.37	**1,798.17**	(3.32)	**1,968.22**
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**7,454.67**		**4,718.81**
	Trade receivables	(1,133.43)		273.27	
	Other Non Current Assets	(100.69)		(583.20)	
	Other Current Assets	564.73		(11.43)	
	Other Financial Assets	(569.59)		303.02	
	Inventories	(2,209.50)		(1,852.71)	
	Trade Payable	1,112.01		293.11	
	Provisions	106.80		39.13	
	Other Non Current Financial Liabilities	(1.98)		-	
	Other non-current liabilities	(41.39)		(15.04)	
	Other Current Financial Liabilities	238.15		236.80	
	Other liabilities	328.14	**(1,706.75)**	2,157.10	**840.05**
	CASH GENERATED FROM OPERATIONS		**5,747.92**		**5,558.86**
	Direct Taxes paid		**(1,262.77)**		**(702.79)**
	NET CASH FROM OPERATING ACTIVITIES		**4,485.15**		**4,856.07**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets including Capital Work in Progress And Capital Advance	(2,268.08)		(1,669.94)	
	Proceeds from Sale of Fixed Aseets	(21.76)		99.24	
	Fixed Deposits with Banks	285.85		(85.41)	
	Purchase of current investment	(870.00)		(918.00)	
	Proceeds of current investments	872.54		1,020.30	
	Loans (Financial assets)	(19.69)		4.31	
	Interest Income	63.89		81.94	
	Dividend income	0.01		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		**(1,957.24)**		**(1,467.55)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020 (CONTD..)

(Rs. in Lakhs)

Particulars		Year Ended 31 March 2020		Year Ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds from Working Capital Facilities (Net)	(1,685.35)		(987.13)	
Proceeds from long-term borrowings	764.33		929.58	
(Repayments) of Term Loans	(821.33)		(553.03)	
Changes in Financial Liabilities	(90.00)		(180.00)	
Interest paid	(839.37)		(1,448.85)	
Dividend and Corporate Dividend Tax	(312.89)		(93.00)	
Withdrawal by Non Controlling Interest	(55.12)		(529.88)	
NET CASH FROM FINANCING ACTIVITIES		**(3,039.73)**		**(2,862.31)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(511.82)**		**526.21**
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2019		**644.70**		**118.49**
Cash and Cash Equivalents(Note 8)		**644.70**		**118.49**
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020		**132.88**		**644.70**
Cash and Cash Equivalents (Note 8)		**132.88**		**644.70**

Notes to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilties

	31.03.2020	31.03.2019
Opening Balance	11,453.17	11,937.96
Cash inflow/ (outflow) of non-current borrowings	233.65	309.98
Cash inflow /(outflow) of current borrowings	(1,685.35)	(794.77)
Closing Balance	**10,001.47**	**11,453.17**

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

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ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

Note 1 - Significant Accounting Policies under IND AS

A) General Information

HLE Glascoat Limited (formerly known as Swiss Glascoat Equipments Limited) is a limited company, incorporated on 26th August, 1991 in India, whose shares are publicly traded.

In accordance with the Scheme approved by the NCLT, the name of the Company has been changed from Swiss Glascoat Equipments Limited to HLE Glascoat Limited, vide the "Certificate of Incorporation pursuant to Change of Name", issued by the Registrar of Companies dated 5th December, 2019.

The Holding Company and its subsidiary together forming (the Group) is based in the western part of India and is engaged, inter alia, in the following businesses:

(i) Glass Lined Equipment - Manufacturing of Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories.

(ii) Other Engineering Equipment – Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.

(iii) Chemical - Manufacturing of organic chemicals.

The Registered Office of Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division and the Chemical division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat. The subsidiary company HL Equipments situated at Survey No. 144/1/1, Plot No. 15, Athal Industrial Estate, Village - Athal, Silvassa - 396 230.

The Holding Company entered into the composite scheme of arrangement for demerger of the Operating Business of HLE Engineers Private Limited and vesting of the same into Swiss Glascoat Equipments Limited which was approved by the NCLT on 24th October, 2019 and the certified copy of the order was received by the Holding Company on 18th November, 2019. **(Refer Note 26 (L))**

B) Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

The Consolidated financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of Consolidation

The Holding company consolidates all the entities which are controlled by it. The Holding company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Holding company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances, income and expenses are eliminated in full on consideration. Changes in the Holding company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Holding company's interests and the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Holding company.

The Holding company has invested in the following Indian subsidiaries and the Holding company's respective ownership interest as on 31st March 2020 is as follows:

- H L Equipments - Partnership Firm - 80%

iii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value **(refer Note 25A)** and

b) Any other item as specifically stated in the accounting policy.

The Financial Statement is presented in Indian Rupee ("INR").

The Group reclassifies comparative amounts, unless impracticable and whenever the Group changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

The Consolidated financial statements of the Group for the year ended 31st March, 2020 were authorised for issue in accordance with a resolution of the directors on 20th June, 2020.

iv. Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. **(Refer Note 26(e))**

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and Investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts . The impact of COVID-19 on the Group financial statements may differ from that estimated as at the date of approval of these financial statements.

Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

C) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (as per sl.no.13 below) and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling / removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and having value of Rs.50,000 or more individually are capitalized and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date when the asset is derecognised.

Description of the Asset	Estimated Useful life
Tangible:	
Building Factory	30 Years
Plant and Equipment	3-25 Years
Furniture and Fixtures	10 Years
Computers and Computer Servers	3-6 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings and Air conditioners	5-10 Years
Renewable Energy Saving Device – Windmill	22 Years
Vehicles	8-10 Years
Right of use assets (Land)	Primary period of lease is 99 years
Intangible:	
Software	3-5 Years
Technical Know How	10 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates. Depreciation on all assets is provided on straight line basis. Plant and Machinery, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property plant and equipment added/disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) and Technical Know How acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3) Impairment of tangible (PPE) and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but 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 or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

4) Inventories:

Inventories consisting of stores and spares, raw materials, Work in progress and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Cost of raw material, components and stores and spares is determined on a first in first out basis for Glass Lined Equipment division and on a weighted average method for Other Engineering Equipment and Chemical divisions.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognised as expenses in the period in which the related revenue is recognised.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit And Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

5) Leases:

The Group as a lessee

The Group lease asset classes primarily consist of leases for land. The Group 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 **Group** assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the **Group** has the right to direct the use of the asset.

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.

6) **Government Grants:**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

7) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognised, however, disclosed in financial statement when inflow of economic benefits is probable.

8) **Foreign Currency Transactions:**

The financial statements of Group are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

9) **Share Capital and Share Premium:**

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

10) **Dividend Distribution to equity shareholders:**

The holding company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the holding company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

11) **Cash Flows and Cash and Cash Equivalents:**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

12) **Revenue Recognition:**

The Group derives revenues primarily from sale of goods comprising of (i) Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories, (ii) Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories, and (iii) Organic chemicals.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue from sale of services is recognised when the activity is performed.

Revenue is measured based on the transaction price, which is the consideration, adjusted for delayed delivery of goods/ discounts to customer as specified in the contract with the customers. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Group gives warranties on certain products, undertaking to repair or replace the item that failed to perform satisfactorily during the warranty period. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as delayed delivery of goods/ discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Sale of Scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

13) Borrowing costs:

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

14) Employee Benefits:

a) Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) **Post Employment Benefits:**

The Group provides the following post employment benefits:

i) Defined benefit plans such as gratuity ; and

ii) Defined contributions plan such as provident fund.

d) **Defined benefits Plans:**

The cost of providing benefits on account of gratuity obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of this benefit is provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expenses in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund is recognised as an expense when employees have rendered the service entitling them to the contribution.

15) **Taxes on Income:**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) **Current Tax**:

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

b) **Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

16) **Earnings per Share:**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

17) Current versus non-current classification:

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

18) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

19) 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. The Group recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Group.

Financial assets other than investment in subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

The Group measures the trade receivable at their transaction price, if the trade receivable do not contain a significant financing component.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

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

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b) <u>Financial Liabilities</u>

The Group's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

<u>Initial recognition and measurement</u>

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

<u>Subsequent measurement</u>

The subsequent measurement of financial liabilities depends upon the classification as described below:-

<u>Financial Liabilities classified as Amortised Cost:</u>

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

<u>Financial Liabilities at Fair value through profit and loss (FVTPL):</u>

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

<u>Derecognition</u>

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition 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 and loss.

<u>Offsetting of financial instruments</u>

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.

<u>Segment Reporting:</u>

The Group identifies segments as operating segments whose operating results are regularly reviewed by the Management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities, respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

(Rs. in Lakhs)

Note 2 (a) : Property, Plant and Equipment														Note 2 (c) : Intangible Assets		
Particulars	**Right of use assets (Land)**	**Freehold Land**	**Buildings**	**Plant and equipment**	**Windmill**	**Tools and Equipments**	**Electric Installation and Equipment**	**Furniture and fixtures**	**Vehicles**	**Office equip-ment**	**Computers**	**Air Conditio-ners**	**Total**	**Computer Software**	**Technical Know How**	**Total**
Gross Block																
Carrying value as at 31 March 2018	-	247.03	2,186.46	4,134.12	266.91	182.59	289.80	124.78	434.41	90.66	110.61	3.62	8,070.99	73.31	585.50	658.81
Additions	-	-	440.06	1,117.05	-	75.50	6.52	2.22	6.25	4.34	6.66	2.99	**1,661.59**	4.42	-	4.42
Disposals	-	-	-	(248.83)	-	(6.73)	(0.18)	-	(91.15)	-	-	-	**(346.89)**	-	-	-
Carrying value as at 31 March 2019	-	247.03	2,626.52	5,002.34	266.91	251.36	296.14	127.00	349.51	95.00	117.27	6.61	9,385.69	77.73	585.50	663.23
Additions	-	-	202.84	1,016.91	-	94.71	114.08	1.73	174.71	40.16	17.45	1.18	**1,663.77**	19.76	-	19.76
Transfer form prepaid lease renteal	**43.42**	-	-	-	-	-	-	-	-	-	-	-	**43.42**	-	-	-
Disposals	-	-	-	(107.70)	-	-	(0.30)	-	(2.75)	(0.61)	(20.78)	-	**(132.14)**	-	-	-
Carrying value as at 31 March 2020	43.42	247.03	2,829.36	5,911.55	266.91	346.07	409.92	128.73	521.47	134.55	113.94	7.79	10,960.74	97.49	585.50	682.99
Depreciation Block																
Accumulated depreciation / Amortisation as at the 31 March 2018	-	-	189.72	412.77	95.31	25.99	37.24	26.78	188.37	38.29	47.35	1.43	1,063.25	19.69	74.80	94.49
Depreciation / Amortisation for the year	-	-	90.57	325.68	10.04	16.13	32.14	14.17	51.02	15.93	25.84	0.99	**582.51**	14.10	56.78	70.88
Disposals	-	-	-	(178.85)	-	(3.79)	(0.03)	-	(68.47)	-	-	-	**(251.14)**	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2019	-		280.29	559.60	105.35	38.33	69.35	40.95	170.92	54.22	73.19	2.42	1,394.62	33.79	131.58	165.37
Depreciation / Amortisation for the year	**0.60**	-	100.07	377.91	10.08	41.95	33.68	13.91	53.65	18.73	22.03	1.14	**673.75**	13.79	56.89	70.68
Disposals	-	-	-	(66.30)	-	-	(0.19)	-	(1.97)	(0.08)	(20.61)	-	**(89.15)**	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2020	0.60	-	380.36	871.22	115.43	80.28	102.84	54.86	222.60	72.87	74.61	3.56	1,979.22	47.58	188.47	236.05
Net Block																
As at 31 March 2019	-	247.03	2,346.23	4,442.74	161.56	213.03	226.79	86.05	178.59	40.78	44.08	4.19	7,991.07	43.94	453.92	497.86
As at 31 March 2020	42.82	247.03	2,449.00	5,040.34	151.48	265.79	307.08	73.87	298.87	61.68	39.33	4.23	8,981.52	49.91	397.03	446.94
Note 2 (b) : Capital Work-in-Progress																
As at 31 March 2019													**414.01**			
As at 31 March 2020													**1,000.58**			

The amount of borrowing cost capitalised during the year ended 31st march 2020- Rs. 8.47 lakhs(Previous Year Rs.19.14 lakhs)

Note 3 - Other Financial Assets (Secured, considered good)

(Rs. in Lakhs)

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Bank deposits with more than 12 months maturity	6.20	6.20	-	-
Others;				
Security deposits	70.46	66.80	3.34	2.78
Interest accrued on loans and deposits	-	-	32.58	28.38
Other assets	-	-	7.86	0.16
Advance recoverable in cash or kind	-	-	4.05	0.51
Export benefit receivable (Duty drawback)	-	-	454.11	13.38
Goods & service tax refund receivable	-	-	-	19.71
IT refund receivable	-	-	128.91	-
Total	**76.66**	**73.00**	**630.85**	**64.92**

Note 4 - Other Assets

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Capital advances	154.84	11.33	-	-
Advances other than capital advances	-	-	36.06	-
Advances to employees	-	-	0.31	0.49
Advances to suppliers	-	-	384.06	568.27
Considered doubtful	-	-	22.39	4.21
Less:-Provision for doubtful advances	-	-	(22.39)	(4.21)
	-	-	384.06	568.27
Sub Total	**154.84**	**11.33**	**420.43**	**568.76**
Others				
Balance with govt. authorities	-	-	812.46	1,227.45
Prepaid expenses	0.19	43.01	65.63	54.36
Sub Total	**0.19**	**43.01**	**878.09**	**1281.81**
Total	**155.03**	**54.34**	**1298.52**	**1850.57**

(Rs. in Lakhs)

Note 5 : Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	5,951.39	5,512.37
Work-in-progress	7,564.01	6,138.06
Finished goods	1,488.26	1,128.88
Stores and spares	341.63	356.48
Total	**15345.29**	**13135.79**

Note 6 : Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	4,410.90	3,346.06
Doubtful	30.50	2.86
Less: Impairment provision on expected credit Loss model	(30.50)	(2.86)
Total	**4,410.90**	**3,346.06**

Of the above , trade receivable due from related party Rs.231.01 Lakhs (Previous Year Rs. 395.88 Lakhs)(refer note no.26 f)

Note: The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Note 7 : Cash and Cash Equivalents(as per Cash Flow Statement)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks (of the nature of cash and cash equivalents)	128.93	641.68
Cash on hand	3.95	3.02
Total	**132.88**	**644.70**

Note 8 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Margin money deposits with a bank	769.00	1,053.75
Others:		
Unclaimed dividend account	77.21	78.30
Total	**846.21**	**1,132.05**

Note 9 : Loans

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Loans to employees	31.45	11.76
Total	**31.45**	**11.76**

(Rs. in Lakhs)

Note 10: Borrowings

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
NON CURRENT		
Secured		
Term loans;		
- from banks and financial institution	3,117.57	3,260.82
Interest accrued on term loan	34.57	9.08
Preference Share Liability (Refer notes below)		
18,75,152 9.50% reedemable preference shares of Rs.10 each	2,274.66	2,735.76
Sub - Total	**5,426.80**	**6,005.66**
CURRENT		
Secured		
Loans repayable on demand		
- from banks and financial Institution	1,915.72	2,887.87
Unsecured		
Loan from directors (refer note no.26 f)	167.86	925.32
Loan from Relatives of Directors (refer note no.26 f)	305.27	311.13
Inter corporate loan (refer note no.26 f)	300.00	300.00
From others	175.00	175.00
Interest accrued on unsecured loan	73.33	23.21
Sub - Total	**2,937.18**	**4,622.53**
Total	**8,363.98**	**10,628.19**

Non-Current Borrowing

1) Term loans taken from RBL Bank is secured by hypothecation by way of pari passu charge on all present and future current assets, movable and immovable fixed assets (except plant and machinery which are funded against term loan availed from HDFC Bank). Entire facilities obtained from RBL bank are secured by creation of collateral security by way of Equitable Mortgage by way of first pari passu charge over immovable properties owned by the Company, Directors, and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The loan is also secured by personal guarantee of Directors. The loan is repayable in 54 equal monthly instalments commencing from December 2016, and carries an interest rate of 12.50% p.a. (March 31, 2019: 12.50% p.a) respectively.

2) Term loan from Bajaj Finance Limited is secured by hypothecation of immovable property owned by Directors. The loan is repayable in 84 quarterly instalments commencing from November 2017 and carries interest of 10.75% p.a. (March 31, 2019: 10.75% p.a) payable on monthly basis.

3) Term loan from State bank of India is secured by hypothecation charge over specific plant & machinery present and future acquired out of the term loan and further secured by parri passu equitable mortgage of building and other fixed asset of the company. Repayable in 60 / 78/48 instalment beginning April-2016 ,Oct-2019 and Oct-2020 respectively. Interest @ 1/ 1.25/2% above MCLR-1Y with a minimum of 9.55%/ 9.8%/10.05% p.a. (March 31, 2019: 9.55%/9.8%/N.A p.a) respectively rising or falling therewith , on daily products with mothly rests.

4) Pursuant to the order of The National Company Law Tribunal, Ahmedabad Bench dated 18th November ,2019 , HLE Glascoat ltd has cancelled 32,25,953 equity shares. In lieu of the cancelled shares, HLE Glascoat Ltd has issued 18,75,152 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each. Each Preference share entitled for cumulative preference dividend of 9.5% p.a. and redeemable in five equal annual instalments starting from June,2020.

5) Vehicle loan taken from HDFC Bank is secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 9.50% p.a. [March 31, 2019: 9.50% p.a.]

6) Vehicle loan taken from HDFC Bank is secured by hypothecation of related vehicle taken on loan. Loan is repayable by equal monthly instalments from the month subsequent to the disbursement of the loan.Interest is payable on monthly basis @ 8.70% p.a. [March 31, 2019: 8.70% p.a.]

7) Vehicle loans taken from financial institutions is secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month sunsequent to the disbursement of the loan. The interest is payable on monthly at 11.05% p.a. [March 31, 2019: 11.05% p.a.]

(Rs. in Lakhs)

Current Borrowing

1) Working capital facilities including Packing credit and Foreign bill discounting from RBL Bank is secured by hypothecation by way of pari passu charge on all stock, book debts, plant and machinery (except plant and machinery which are funded against term loan availed from HDFC Bank), both present and future. Entire facilities obtained from RBL Bank are secured by creation of collateral security by way of Equitable Mortgage along with pari passu charge over immovable properties owned by the Company, Directors, and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The rate of interest for cash credit is 10.45 % (MCLR+1%) [March 31, 2019: 11.25% (MCRL+1%)] and for other facilities is LIBOR plus 250 bps [March 31, 2019: LIBOR plus 250 bps]

2) Working capital facilities including Packing credit and Foreign bill discounting from HDFC bank is secured by hypothecation by way of first and exclusive charge on all present and future stock and book debts. Entire facilities obtained from HDFC bank are secured by creation of collateral security by way of Equitable Mortgage along with pari passu charge with RBL Bank over immovable properties owned by the Company, Directors, and HL Equipments and equitable mortgage by way of second charge on property owned by the Directors of the Company. The rate of interest for cash credit is 10.05% (MCLR+2.35%) p.a. [March 31, 2019: 11.10% (MCLR+2.35%) p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2019: LIBOR plus 250 bps].

3) Working capital loan from a bank is secured by hypothecation of Current Assets of the Company and further secured by a parri passu equitable mortgage of building and other Fixed Assets. Interest @ 1% above MCLR-1Y with a minimum of 9.05% p.a. [March 31, 2019 Interest @ 1% above MCLR-1Y with a minimum of 9.05% p.a.] rising or falling therewith , on daily products with mothly rests.

4) The unsecured loan taken from directors and relatives carrying an interest @ 9% p.a. [March 31, 2019: 9% p.a.]is re-payable on demand.

5) The other unsecured loans are bearing interest @ 10% & 9% p.a [March 31, 2019: 10% & 9% p.a.] with no specific repayment schedule.

Note 11 : Trade Payables **(Rs. in Lakhs)**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Outstanding dues of micro, small and medium enterprises	483.34	690.38
Outstanding dues of creditors other than of micro, small and medium enterprises	7,059.26	5,740.21
Total	**7,542.60**	**6,430.59**
Of the above;		
- Acceptances	1415.98	1138.32
- Payable to related party Rs. 146.89 (Previous Year Rs. 9.97 Lakhs)(Refer Note 26 f)		

Note 12 : Other Financial Liabilities

Particulars	**Non-Current**		**Current**	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Current maturities of long-term debt	-	-	1,637.49	824.98
Unclaimed dividends	-	-	77.21	78.30
Others :				
Security deposit	1.57	3.54	5.08	1.44
Employee related payable	-	-	337.37	232.52
Capital creditors	-	-	133.58	22.06
Others	-	-	22.28	94.13
Total	**1.57**	**3.54**	**2,213.01**	**1,253.43**

(Rs. in Lakhs)

Note 13 : Deferred Tax Liabilities - (Net)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE , Intangibles and others	342.21	279.19
Total	**342.21**	**279.19**

Particulars	PPE and Intangible Assets	Other Items	MAT Credit	Total
At 1 April 2019	1,129.29	(41.24)	(808.86)	**279.19**
(Charged)/credited:				
- to profit or loss	75.07	(12.05)	-	**63.02**
At 31 March 2020	**1,129.29**	**(41.24)**	**(808.86)**	**342.21**

Note 14 : Other Liabilities

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Contract liability (Advance from customers)#	-	-	6,391.50	5,988.60
Others advance	-	-	10.95	-
Statutory dues	-	-	107.93	234.48
Liabilities for expenses	-	-	184.74	187.30
Others				
Unamortised govt. grant	14.47	55.86	-	-
Deferred income (Patent)	-	-	-	1.25
Total	**14.47**	**55.86**	**6,695.12**	**6,411.63**

of the above , advance from related party Rs. 17.02 (Previous Year Rs. 11.59 Lakhs)(refer note no.26 f)

During the year ended 31st March, 2020, the Company recognised revenue of Rs.5783.10 Lakhs (Previous Year Rs.3769.54 lakhs) arising from opening unearned revenue (contract liabilities).

(Rs. in Lakhs)

Movement of contract liabilities is as under;

Particulars	As at 31 March 2020	As at 31 March 2019
As at beginning of the year	5988.61	3348.44
Recognised as revenue from contracts with customers	5783.10	3769.54
Advance returned back to customer	-	140.27
Advance from customers received during the year	6185.99	6549.97
Balance at the close of the year	6391.50	5988.60

(Rs. in Lakhs)

Note 15 : Provisions

Particulars	Non-Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits	-			
Gratuity	-	-	98.95	34.59
Leave benefits	40.36	33.75	13.22	11.13
Provision for unexpired warranty	-	-	39.47	5.72
Total	**40.36**	**33.75**	**151.63**	**51.44**

Movement of Provision for unexpired warranty

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	5.72	-
Add: Additional provision made during the year	38.81	5.72
Less: Provision amount used during the year	5.05	-
Closing balance	**39.47**	**5.72**

Movement of Provision for employee benefits

Opening balance	79.47	46.06
Add: Additional provision made during the year	123.00	55.07
Less: Provision amount used during the year	49.95	21.66
Closing balance	**152.52**	**79.47**

Note 16 : Revenue from Contract with Customers

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from Operations		
Sale of goods	41,655.25	35,169.03
Sale of services	733.73	468.66
Other operating revenues:	-	-
Scrap sales	254.94	284.26
Miscellaneous	3.45	13.96
Total	**42,647.37**	**35,935.91**

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Gross Sales (Contracted Price)	41,696.65	35,184.62
Reductions towards variable consideration (Discounts & Delayed Delivery Charges)	41.40	15.59
Revenue recognised	41,655.25	35,169.03

(Rs. in Lakhs)

Note 17 : Other Income

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Interest income	63.89	81.94
Dividend income from others	0.01	0.01
Income from Govt. Grants;		
Export incentives	101.61	44.47
Net gains on sales of investments	2.54	1.98
Net gain on foreign currency transaction	5.42	20.12
Gain on sale of property, plant and equipment	6.31	43.14
Deferred income	42.64	14.34
Cessation of liability	12.67	38.02
Miscellaneous income	98.66	42.49
Total	**333.75**	**286.51**

Note 18 : Cost of Materials consumed

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Opening stock of raw materials	5,512.37	3,910.32
Purchases during the year	23,418.58	21,436.27
Closing stock of raw materials	(5,951.39)	(5,512.37)
Total	**22,979.56**	**19,834.22**

Note 19 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Closing stock:		
Closing Stock:		
Finished goods	1,488.26	1,128.88
Work-in-progress	7,564.01	6,138.06
	9,052.27	7,266.94
Less: Opening stock:		
Finished goods	1,128.88	1,926.85
Work-in-progress	6,138.06	5,151.93
	7,266.94	7,078.79
Total	**(1,785.33)**	**(188.16)**

Note 20 : Employee Benefits Expenses

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Salaries and wages	2,993.81	2,476.86
Contribution to provident, gratuity and other funds	120.71	106.29
Staff welfare expenses	130.88	124.56
Total	**3,245.40**	**2,707.71**

(Rs. in Lakhs)

Note 21 : Finance Costs

Particulars	As at 31 March 2020	As at 31 March 2019
Interest on loans	459.90	667.30
Interest on working capital facilities	403.99	420.04
Interest - others	42.11	12.00
Interest cost - partner's capital	6.86	35.92
Dividend on redeemable preference share	21.48	21.48
Other borrowing costs;		
Unwinding of discount relating to long term liabilities	287.88	273.99
Others	-	18.12
	1,222.22	**1,448.85**

Note 22 : Other Expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Stores and spares consumed	1,785.70	1,559.07
Power and fuel	2,108.86	1,832.12
Processing expenses	3,870.67	2,858.94
Rent	19.64	69.82
Rates and taxes	27.85	35.49
Insurance	76.67	61.55
Printing and stationery	32.58	29.29
Repairs and renewals:		
Buildings	92.51	60.35
Plant and machinery	370.46	327.66
Other assets	21.72	7.16
Travelling and conveyance	85.58	104.19
Communication expenses	34.53	23.65
Vehicle expenses	58.83	43.78
Auditors' remuneration:		
Audit fee	16.39	15.85
Tax audit fee	2.00	2.00
	18.39	**17.85**
Director's sitting fee	3.15	3.75
Director's travelling	33.41	23.34
Sales promotion expenses	24.78	85.04
Bad debts written-off	-	24.83
Donation (Refer note 26 p)	1.63	11.31
Corporate social responsibility expense (Refer note 26 h)	17.76	15.98
Security expenses	61.26	37.69
Commission	444.76	423.29
Freight and forwarding (Net)	763.10	544.54
Drawings and installation charges	51.73	-
Laboratory expense	25.14	27.25
Packing expenses	59.51	53.60
Pollution control exp	86.45	119.95
Provision for doubtful advances /debts	38.92	14.28
Advances written off	35.09	-
Bank charges	110.93	56.29
loss on sale/ de-recognition of assets	29.68	39.82
Legal and professional fees	287.32	270.42
Provision for warranty expense	39.97	5.72
Miscellaneous expenses	199.77	227.80
	10,918.34	**9,015.82**

(Rs. in Lakhs)

Note 23

A. Capital Management

For the purpose of Holding Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Holding Company. The primary objective of the Holding Company's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Interest Bearing Loans and Borrowings	7,064.29	6,830.64
Less: Cash and Short Term Deposits	979.09	1,776.75
Net Debt	6,085.20	5,053.89
Equity	1,293.11	650.00
Other Equity	6,307.81	3,472.04
Total Capital	7,600.92	4,122.04
Capital and Net Debt	13,686.12	9,175.92
Gearing Ratio %	44.46%	55.08%

B. Financial Risk Management

The Group principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial liabilities.

a) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans , borrowings , foreign currency receivables and payables .

i) Interest Rate Risks

Interest rate risk can be either fair value interest rate 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 rate. 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.

Exposure to interest rate risk

The Group interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	**31st March 2020**	**31st March 2019**
Fixed-rate Instruments		
Borrowings	10,001.47	11,453.17

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

ii) Commodity Price Risks

The Group is affected by price stability of certain commodity due to significantly increase volatility of certain commodities , the Group has entred into contracts with the customers that has provision to pass on the change in raw material prices . The Group has risk management framework aimed at prudently managing the risk arising from volatility in commodity prices.

(b) Credit Risk Management :

It is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

(Rs. in Lakhs)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also has an external credit risk insurance cover with ECGC Policy. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

The ageing of trade receivables is as follows:

Particulars	31st March 2020	31st March 2019
More than 6 months	399.14	16.81
Others	4,011.76	3,329.25
	4,410.90	3,346.06

The amounts reflected in the table above are not impaired as on the reporting date.

(c) Liquidity Risk Management :

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	10 & 12	4,574.67	4,241.01	1,185.79	-
		(5,272.50)	(5,144.92)	(870.46)	(165.28)
Trade Payable	11	7,542.60	-	-	-
		(6,430.58)	-	-	-
Security Deposit	12	5.08	1.57	-	-
		(1.44)	(3.54)	-	-
Employee Benefit/ Expense liabilities	12	337.37	-	-	-
		(232.52)	-	-	-
Unclaimed dividends	12	77.21	-	-	-
		(78.30)	-	-	-
Others	12	155.86	-	-	-
		(116.19)	-	-	-

Figures in brackets are in respect of Previous year

Note 24 : Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	As at 31 March 2020	As at 31 March 2019
Accounting Profit before Income Tax	**6,036.99**	**3,028.20**
At statutory income tax rate of 29.61% (31 march 2019: 23.73%)	1,787.71	718.73
Effect of exempt / lower tax non-operating income	(132.03)	(64.94)
Effect of non-deductible expenses	33.46	76.28
Changes in recognised deductible temporary differences	63.03	168.00
Earlier year tax adjustments	(15.65)	-
	1,736.52	**898.07**

(Rs. in Lakhs)

Note 25 : Fair Values and Hierarchy

1. Financial instruments – Fair values

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 March 2020	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade Receivables	6	-	-	4,410.90	4,410.90	-	-	4,410.90	4,410.90
Loans	9	-	-	31.45	31.45	-	-	31.45	31.45
Others financial assets	3	-	-	707.51	707.51	-	-	707.51	707.51
Cash and cash equivalents	7	-	-	132.88	132.88	-	-	132.88	132.88
Bank balances other than above	8	-	-	846.21	846.21	-	-	846.21	846.21
		-	**-**	**6,128.95**	**6,128.95**	**-**	**-**	**6,128.95**	**6,128.95**
Financial liabilities									
Borrowings	10	-	-	10,001.47	10,001.47	-	10,001.47	-	10,001.47
Trade Payables	11	-	-	7,542.60	7,542.60	-	-	7,542.60	7,542.60
Other Financial Liabilities	12	-	-	577.09	577.09	-	-	577.09	577.09
		-	**-**	**18,121.15**	**18,121.15**	**-**	**10,001.47**	**8,119.69**	**18,121.15**

31 March 2019	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade Receivables	6	-	-	3,346.06	3,346.06	-	-	3,346.06	3,346.06
Loans	9	-	-	11.76	11.76	-	-	11.76	11.76
Others financial assets	3	-	-	137.92	137.92	-	-	137.92	137.92
Cash and cash equivalents	7	-	-	644.70	644.70	-	-	644.70	644.70
Bank balances other than above	8	-	-	1,132.05	1,132.05	-	-	1,132.05	1,132.05
		-	**-**	**5,272.49**	**5,272.49**	**-**	**-**	**5,272.49**	**5,272.49**
Financial liabilities									
Borrowings	10	-	-	11,453.17	11,453.17	-	11,453.17	-	11,453.17
Trade Payables	11	-	-	6,430.58	6,430.58	-	-	6,430.58	6,430.58
Other Financial Liabilities	12	-	-	432.00	432.00	-	-	432.00	432.00
		-	**-**	**18,315.75**	**18,315.75**	**-**	**11,453.17**	**6,862.58**	**18,315.75**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

(Rs. in Lakhs)

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Profit after taxation	3,919.98	1,852.52
Weighted average number of equity shares for the purpose of basic earnings per share (nos in lakhs)	1,29,31,076	1,29,31,076
Earnings per share		
Basic	30.31	14.33
Diluted	30.31	14.33

b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under:

	Particulars	Year ended 31-March-2020	Year ended 31-March-2019
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	483.34	690.38

	Particulars	Year ended 31-March-2020	Year ended 31-March-2019
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	483.34	690.38
(ii)	Interest accrued and due to suppliers on above amount, unpaid	14.29	14.86
(iii)	The amount of interest paid by the buyer in terms of Section16 of the MSMED Act,2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	0.23	0.26
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	14.52	15.12
(vi)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	14.82	3.70

Dues to MSME have been determined to the extent such parties have been identified on the basis of information certified by the management. This has been relied upon by the auditors.

c) Disclosure required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015; and section 186(4) of the Companies Act,2013 :

1. Amount of Loans and advances in the nature of loans outstanding from subsidiaries Rs Nil (Previous Year Rs Nil)
2. Loans to employees have been considered to be outside the purview of disclosure requirements.
3. Investment by Loanee in the shares of the Parent company- Nil (Previous Year Nil)

d) Expenditure on Research and Development

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Revenue expenditure:		
Employee benefit expenses	76.50	64.11
Labour charges	23.56	7.89
Power and fuel	16.81	15.13
Repair & maintenance	30.91	8.86
Freight and forwarding expenses	0.06	0.18
Travelling and conveyance	0.03	8.52
Legal & professional fees	-	46.04
Laboratory expense	8.39	9.69
Miscellaneous expenses	0.01	-
Sub- Total	**156.27**	**160.41**

(Rs. in Lakhs)

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Capital expenditure:		
R & D Plant and Machinery	116.19	-
R & D Computers	0.38	-
R & D Furniture & Fixtures	5.44	-
Sub- Total	**122.01**	**-**
Total	**278.28**	**160.41**

This information complies with the terms of the R & D recognition granted upto 31st March 2021 for the Company's in-house Research and Development activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their Letter No. F.No. TU/IV-RD/3905/2018 Dtd. 26th April, 2018.

e) Disclosures as per IND AS - 19 - Employee Benefits

1) During the year , the company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
i) Employer's contribution to Provident Fund* *Included in " Contribution to Provident and other Funds" (Note 21).	64.77	57.33
ii) Leave Encashment - Unfunded	14.23	11.64
iii) Defined benefit obligation:		

a) The valuation results for the defined benefit gratuity plan as at 31-3-2020 are produced in the tables below:

i) Changes in the Present Value of Obligation

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Present Value of Obligation as at the beginning	314.69	259.15
Current Service Cost	31.98	29.28
Interest Expense or Cost	23.03	19.87
Liability Transfer Out	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	23.95	7.66
- experience variance (i.e. Actual experience vs assumptions)	20.99	14.04
Past Service Cost		
Benefits Paid	(24.89)	(15.31)
Present Value of Obligation as at the end	**389.75**	**314.69**

ii) Changes in the Fair Value of Plan Assets

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Fair Value of Plan Assets as at the beginning	280.10	279.97
Investment Income	20.47	21.48
Adjustment to opening Fair Value of Plant Asset	-	-
Return on Plan Assets excluding interest income	(1.55)	(6.04)
Employer's Contribution	16.66	-
Benefits Paid	(24.88)	(15.31)
Fair Value of Plan Assets as at the end	**290.80**	**280.10**

(Rs. in Lakhs)

iii) Expenses Recognised in the Income Statement

Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
Current Service Cost	31.98	29.28
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.55	(1.61)
Expenses Recognised in the Income Statement	**34.53**	**27.67**

iv) Other Comprehensive Income

Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
Actuarial (gains) / losses	-	-
- change in financial assumptions	23.95	7.66
- change in demographic assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	20.99	14.03
Adjustment of present value of oligation at the beginning of the year	-	-
Return on Plan Assets excluding interest income	1.55	6.05
Components of defined benefit costs recognised in other comprehensive income	**46.49**	**27.74**

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	**Year ended 31-March-2020**	**Year ended 31-March-2019**
Funds managed by Insurer	100%	100%
- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.		

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	**Year Ended 31-March-2020**	**Year Ended 31-March-2019**
Discount rate (per annum)	6.59%	7.41%
Salary growth rate (Anand Unit)	6.00%	5.00%
Salary growth rate (Maroli Unit)	10.00%	10.00%

b. Demographic Assumptions

Particulars	**Year Ended 31-March-2020**	**Year Ended 31-March-2019**
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on age: (per annum)	7.50%	7.50%
For service 4 years and below	20.00%	7.50%
For service 5 years and above	10.00%	7.50%

(Rs. in Lakhs)

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year Ended 31-March-2020	Year Ended 31-March-2019
Defined Benefit Obligation (Base)	389.75	314.69

Particulars	Year Ended 31-March-2020		Year Ended 31-March-2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	25.17	(22.20)	18.21	9.24
(% change compared to base due to sensitivity)	*-93.5%*	*-105.7%*	*-94.4%*	*-97.2%*
Salary Growth Rate (- / + 1%)	(22.00)	24.43	7.16	19.33
(% change compared to base due to sensitivity)	*-105.6%*	*-93.7%*	*-97.8%*	*-94.0%*
Employee Turnover Rate (- / + 1%)	3.80	(3.44)	2.58	2.85
(% change compared to base due to sensitivity)	*-99.0%*	*-100.9%*	*-99.2%*	*-99.1%*

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- **Funding arrangements and Funding Policy**

  The scheme is managed on funded basis.

- **Expected Contribution during the next annual reporting period**

	Year Ended 31-March-2020	Year Ended 31-March-2019
The Company's best estimate of Contribution during the next year	85.00	64.20

- **Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flows)	7 Years	8 Years

- **Expected cash flows over the next (valued on undiscounted basis):**

	Year Ended 31-March-2020	Year Ended 31-March-2019
1 year	65.71	45.74
2 to 5 years	138.78	122.16
6 to 10 years	161.72	140.60
11 and above years	278.84	-

NOTE 26 - ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures :
(As per Ind AS 24 : Related party Disclosures) :

(a) Names of other related parties and nature of relationship :

Key Management Personnel :	Mr. Himanshu Patel (Chairperson and Managing Director) Mr. Aalap Patel (Executive Director-Technical) Ms. Dhwani Shah (Company Secretary & Compliance Officer) Mr. Bipin Thakkar (Chief Financial Officer) (upto 03.08.2018) Mr. Mahesh Bhave (Chief Financial Officer) (01.09.18 to 09.03.2019) Mr. Suryakant Dave(Chief Financial Officer) (01.07.19 to 31.03.2020)
Relatives of Key Management Personnel :	Mr. Harsh H. Patel (Non-Executive Director) Mr. Nilesh K. Patel (Non-Executive Director) Ms. Swara R. Patel (daughter of Mr. Himanshu K Patel) Ms. Priti H. Patel (spouse of Mr. Himanshu K Patel) Mr. Sahil H Patel (son of Mr. Himanshu K Patel) Ms. Poonam H Patel (daughter of Mr. Himanshu K Patel) Mr. Hitesh C. Patel (brother in law of Mr. Himanshu K Patel) Ms. Bhoomi A Patel (spouse of Mr. Aalap N Patel) Mr. Daxesh Thakker (Brother of Mr. Bipin Thakkar) (upto 03.08.2018) Ms. Kishori N. Patel (wife of Mr. Nilesh K. Patel) Ms. Neha N Patel (daughter of Mr. Nilesh K Patel) Ms. Nidhi N Patel (daughter of Mr. Nilesh K Patel) Ms. Sheetal H Patel (spouse of Mr. Harsh H Patel)
Entities in which Directors are interested:	Yashashvi Rasayan Pvt Ltd. Yashaswati Foundation Yash Speciality Chemicals LLP H.N. Indigos Pvt. Ltd Maroli Udyognagar Land Development and Management Co. Pvt.Ltd. Newpar Aromatics LLP (NALLP) [upto 12th March, 2018 Newpar Aromatics Pvt. Ltd] HLE Engineers Pvt. Ltd.
Entities in which relatives of Key Management Personnel are interested :	Shri Hari Manpower Agency (upto 03.08.2018) Applied Electrostatics & Controls Private Limited Employee Gratuity Fund - HLE Glascoat Limited

(b) Transactions with related parties (excluding reimbursements) **(Rs. in Lakhs)**

Nature of Transactions	**Transactions**		**Outstanding Payable/ (Receivable)**	
	Year Ended 31-Mar-20	**Year Ended 31-Mar-19**	**Year Ended 31-Mar-20**	**Year Ended 31-Mar-19**
ii) Key Management Personnel :				
Remuneration*	148.40	128.86	15.11	11.48
Commission	54.18	10.27	37.48	10.27
Dividend (Equity Shares)	75.69	0.40	-	-
Dividend (Preference Shares)	6.94	-	-	-
Interest	5.60	29.91	-	-
iii) Loan from Directors :				
Balance as on Year ending	-	-	167.86	925.32
Loan Received	2617.46	4,958.31	-	-
Loan Repaid	3374.92	5,791.59	-	-
Interest	57.89	156.06	52.10	17.98

(Rs. in Lakhs)

Nature of Transactions		Transactions		Outstanding Payable/ (Receivable)	
		Year Ended 31-Mar-20	Year Ended 31-Mar-19	Year Ended 31-Mar-20	Year Ended 31-Mar-19
iv)	**Relatives of KMP :**				
	Dividend (Equity Shares)	116.32	0.41	-	-
	Dividend (Preference Shares)	10.69	-	-	-
	Sitting fee	3.15	4.05	-	-
	Remuneration*	68.00	68.00	6.58	-
	Interest	28.97	35.51	15.17	5.23
	Loan Balance as on Year ending	-	-	305.27	311.13
	Loan Received	-	27.63	-	-
	Loan Repaid	5.86	47.38	-	-
v)	**Entities in which Directors are interested:**				
	Sales of Goods/Services	1,029.71	564.44	(231.01)	(395.88)
	Purchase of Goods/Services	648.64	-	146.89	9.97
	Donation for Corporate Social Responsibility activity	17.76	15.61	-	-
	Rent Expense	0.60	0.60	-	-
	Contract Liabilities	-	-	17.02	11.59
vi)	**Entities in which Relatives of KMP are interested:**				
	Purchase of Services (up to 03.08.18)	-	31.30	-	-
	Balance as on Year ending	-	-	300.00	300.00
	Loan Received	-	300.00	-	-
	Loan Repaid	-	-	-	-
	Interest	27.07	25.79	6.06	-
vii)	**Gratuity fund**	16.66	-	290.80	280.10

c) **Terms and conditions of transactions with related parties;**

i) * Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

ii) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than unsecured loan at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

g) Segment Information

The operations of the Company are limited to three segment viz. **(i) Filtration, Drying and Other Equipment** ,**(ii) Glass Lined Equipment** and (iii) **Chemical Operations**. The Registered Office and Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division and the Chemical division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting. a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable"

Details of segment information: **(Rs. in Lakhs)**

Particulars	Filtration, Drying and Other Equipment		Glass Lined Equipment		Chemical		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue :								
Total External Sales	19,926.48	18,516.78	15,249.65	12,378.98	7,471.24	5,040.15	42,647.37	35,935.91
Segment Results :								
Profit/(Loss) Before Tax and Interest	3,040.19	2,605.23	1,893.33	1,170.08	1,832.98	467.34	6,766.50	4,242.65
Less : Other Unallocable Expense net of Unallocable Income							(112.22)	43.41
Less: Interest Expense							1,222.22	1,448.65
Profit/(Loss) Before Tax							**5,656.50**	**2,750.59**
Taxes							1,736.52	898.07
Net Profit after Tax							**3,919.98**	**1,852.52**
Segment assets	13,508.64	9,623.37	13,602.54	13,431.85	5,454.89	4,535.50	32,566.08	27,590.72
Unallocated segment assets							971.19	1,774.23
Total Assets							**33,537.27**	**29,364.95**
Segment liabilities	9,094.29	5,385.43	5,660.29	8,237.14	1,043.53	1,041.38	15,798.11	14,663.96
Unallocated segment liabilties							10,001.71	10,483.66
Total Liabilities							**25,799.82**	**25,147.62**
Capital Expenditure	360.83	195.52	536.54	1,463.68	786.16	6.81	1,683.52	1,666.01
Unallocated Capital Expenditure	-	-						
Depreciation	250.04	243.77	354.45	277.34	135.83	128.17	740.32	649.28
Unallocated Depreciation							4.11	4.11

Geographic information **(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Geographic information		
Revenue from external customers		
India	32,711.49	28,807.24
Outside India	9,935.88	7,128.67
Total	**42,647.37**	**35,935.91**

During the year, as well as the previous year, there is one external customer from whom the Company earned revenue of more than 10% of its total revenue. (Rs. 8,844.37 Lakhs during the year 2019-20 and Rs. 7,430.28 Lakhs during the year 2018-19).

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital Employed	7,737.45	4,217.32

h) Corporate Social Responsibility

As per Section 135 of the Companies Act,2013, a Holding company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility(CSR) Activities A CSR Committee has been formed by the Holding company as per the Act. The funds were allocated to the activities which are specified in the Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Holding company during the year is Rs.26.77 Lakhs(Previous Year Rs.21.45 lakhs).

b) Amount spent during the year on: **(Rs. In Lakhs)**

	Particulars	**In cash**	**Yet to be paid in cash**	**Total**
1	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
2	On purposes other than (1) above	17.76	-	17.76
		(15.98)	(-)	(15.98)

Previous Year figures are in brackets

i) Commitment

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 174.55 lakhs (Previous Year Rs. 9.90 Lakhs)

j) Contingent Liabilities not provided for:

(i) Counter guarantees given to the Banks for issuing bank guarantee - Rs.4494.82 Lakhs (Previous Year Rs. 2889.698 Lakhs)

(ii) Letters of Credit issued by the Banks - Rs.1920.03 Lakhs (Previous Year Rs. 1791.30 Lakhs)

(iii) Claims not acknowledged as debts:

(a) There is a pending litigation against the Holding company for compensation of loss of profit of Rs. 500.00 Lakhs. The Court has decided the judgement in favour of the Holding company, however the matter has been referred to the High Court, in the opinion of the management, no provision is considered necessary.

(b) Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 Lakhs (Prevous Year Rs.14.74 Lakhs) pending before CESTAT, against which the Holding company has made payment of Rs. 5.19 Lakhs(Prevous Year Rs. 5.19 Lakhs).

(c) Disputed Service Tax for the period 2012 to 2015 is Rs. 29.07 Lakhs (Previous Year Rs.29.07 Lakhs) pending before CESTAT, against which the Holding company has made payment of Rs. 5.09 Lakhs(Prevous Year Rs. 5.09 Lakhs).

(d) Disputed Service Tax for the period 2013 to 2017 is Rs. 29.48 Lakhs (Previous Year Rs. Nil) pending before CESTAT, against which the Holding company has made payment of Rs. 5.16 Lakhs(Prevous Year Rs. Nil).

(e) A Survey proceedings u/s. 133A of the IT Act was conducted by the Income Tax Authorities on September 29, 2008. In this regard, the Department of Income Tax had issued a notice u/s 156 of IT Act. The Department has raised a demand notice dated 26.12.2018 to the tune of Rs. 2,79,30,660 by passing an assessment order u/s. 143(3) r.w.s 254 of the IT Act, of which Rs. 1,44,99,256 was paid. The Group has further filed an Appeal with ACIT Valsad against this order.

k) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs.4.06 lakhs (Previous Year - Rs.4.10 lakhs).

l) The National Company Law Tribunal, Ahmedabad Bench vide its Order dated 24th October, 2019 has approved the Scheme of Arrangement for demerger of the Engineering and Chemical Divisions of HLE Engineers Private Limited (Demerged Company), with effect from 1st April, 2018 (the appointed date). Pursuant to the Scheme, all the Assets, Liabilities, Income and Expenses stand transferred and vested in the Company.

The accounting treatment for the demerged undertaking has been accounted as specified under the Scheme. In terms thereof, the assets and liabilities of the Engineering and Chemical Divisions of HLE Engineers Private Limited as at 1st April, 2018 have been taken over at their book values. Pursuant to the Scheme: (a) The Holding Company has issued Equity Shares having face value of Rs.10/- each in the ratio of 309 Equity Shares of the Company of the face value of Rs.10/- each for every 100 equity shares of the demerged Company.These equity shares are considered for paid up equity share capital and EPS calculation in the corresponding comparative period. (b) The Holding Company is to issue 18,75,152 9.5% Compulsory Redeemable Preference Shares of Rs.10/- each fully paid-up. These Preference Shares being in the nature of debt, a sum of Rs. 22.75 crores is accounted under the head "Borrowing". Consequently, the Group has restated its financial statements with effect from 1st April, 2018 to include the financial information of the demerged undertaking.

m) The outbreak of Coronavirus(Covid-19)globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated its impact on its businees operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statment for year ended 31st March 2020.

n) Previous period's figures have been regrouped and/or rearranged, wherever considered necessary.

o) The Holding company has passed a circular resolution dated 22nd May, 2020 for discontinuing of its chemical unit operations at Maroli by 30th July, 2020.No effect of the above has been given in the financials as on 31st March, 2020 as the same is considered as an non-adjusting event.

p) Donation includes Rs. Nil (Previous Year Rs.0.51 lakhs) to political party during the year.

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No.107122W

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 20th June, 2020

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Ms. Dhwani Shah
Company Secretary

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Maroli Udyognagar, Dated 20th June, 2020

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(formerly Swiss Glascoat Equipments Ltd.)

Regd. Office : H-106, Phase IV, G.I.D.C.,
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