

Building on Values!

PASSION | EXCELLENCE | INTEGRITY

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PG 2

Company Overview

HLE Glascoat Limited is one of the most renowned process equipment manufacturers for chemical and pharmaceutical sectors in India.



PG 10

Chairperson's Message

I am pleased to present our 30th Annual Report for the year 2020-21, and inform all of you that we have performed well during the fiscal, despite the challenges.



PG 14

Strengths

At HLE Glascoat Limited, we strive to create impactful value for all our stakeholders.

Building on Values!



PASSION



EXCELLENCE



INTEGRITY

The HLE Glascoat Limited name is synonymous with unstinted trust and faith of our customers, which has helped us emerge as one of the largest process equipment manufacturers across the world.

Gaining trust of customers is directly proportional to how we service our customers. At HLE Glascoat Limited, we believe in being value-driven player. Our approach to our overall operations is predominantly in line with our vision, and is guided by our core values, which stand on passion, excellence and integrity.

Since our inception, we have been focussed on imbining passion across

all our hierarchy levels, ensuring the management and the employees are all driven by a common urge to create value for all stakeholders. This urge translates into tangible value on the back of consistent efforts put towards achieving manufacturing and innovation excellence. These efforts culminate to help us emerge as a world-class company, whose brand recall resonates trust and integrity.



To view this report online, please visit:
www.hleglascoat.com



Company Overview

A Name That Resonates Dominance

HLE Glascoat Limited is one of the most renowned process equipment manufacturers for chemical and pharmaceutical sectors in India. We are a part of the prestigious Patel Group of Companies, established by late Dr. Khushalbai H. Patel in 1951.

About us

We embarked on our journey in the year 1981, under the name of HLE Engineers Pvt. Ltd., as an equipment manufacturer. Over the years, we emerged as the leading manufacturer of filtration and drying equipment in both domestic and international markets.

In 2017, we acquired stake in a leading manufacturer of glass-lined equipment, namely Swiss Glascoat Equipments Limited. Further, in 2019, we integrated both these businesses and renamed the company as HLE Glascoat Limited. We are currently operating in both domestic and international markets with the help of 3 integrated plants, namely Mairoli Works, Anand Works and HL Equipment.

Ethos

Vision

To be the industry reference for excellence in engineering while being socially and environmentally responsible.

Mission

To provide world class affordable engineering solutions through constant innovation.

Values

- Respect and empower people
- Listen to stakeholders
- Create value
- Be ethical and transparent



Cientele





Company Overview (contd.)

An Equipment for Every Process

At HLE Glascoat Limited, we offer our customers with a plethora of products, catering to the needs for storage, reaction, heat transfer, distillation and solid-liquid separation in the chemical, pharmaceutical and allied industries.

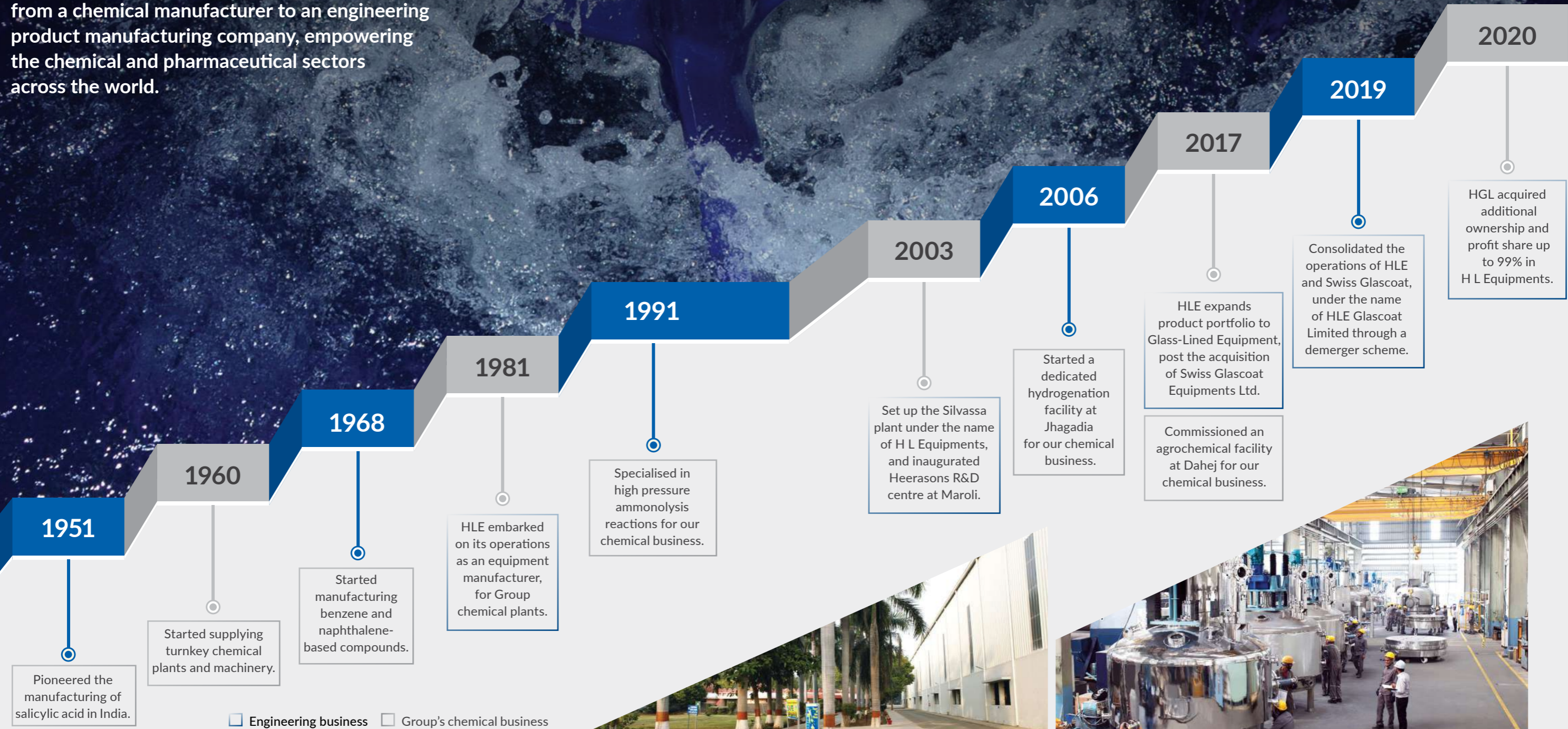
Product categories	Products	Downstream utilisation	Product categories	Products	Downstream utilisation	
Filtration and drying equipment We offer a range of equipment for filtration and drying of chemical products. These equipment are engineered to cater to specific process needs of our customers.	<p>Agitated Nutsche Filter-Dryers (ANFD) This is a versatile solid-liquid separation equipment that can filter, wash, re-slurry and dry the product in a single charge, and in a fully enclosed vessel.</p> <p>Rotary Vacuum Paddle Dryers (RVPD) This equipment is used to obtain dry powder from a wet cake or solution, wherein the powder is dried in batches under vacuum, thus, ensuring the process is economical.</p> <p>Kilo-Lab Filter Dryers This equipment is a scale portable filter-dryer for new-age chemical manufacturers, ensuring filtration, washing and drying of the product in a single charge without transfer.</p>	<ul style="list-style-type: none"> • Agrochemicals • Speciality and fine chemicals • Dyes and intermediates • Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food 	Exotic Metal Equipment	Leveraging our rich experience in handling exotic materials, we are the preferred suppliers of equipment made from such metals	We manufacture a range of tailor-made exotic metal equipment, on the back of our experience in handling exotic materials such as Hastelloy® C-276, C-22 and C-2000, Inconel, Monel, Nickel and Titanium. We have the capacity to manufacture equipment with a thickness up to 75 millimetres, with a diameter up to 4.5 metre, and weighing up to 60 MT.	<ul style="list-style-type: none"> • Agrochemicals and fine chemicals • Speciality and fine chemicals • Dyes and intermediates • Bulk chemicals • Pharmaceutical • Oil and gas • Mineral processing • Aerospace • Marine
Glass-Lined Equipment We service our customers with an array of glass-lined equipment for applicability across various processes, ranging from storage, reaction and heat transfer to filtration or drying.	<p>Glass-Lined Reactors These are user-friendly reactors, built in accordance with DIN 28136 standards, with a range between 63 and 50,000 litres.</p> <p>Glass-Lined Storage Vessels & Receivers These are horizontal and vertical storages which act like tanks, receivers and application specific tanks such as Bromine Storage tanks. Such tank sizes range between 50 and 65,000 litres.</p> <p>Glass-Lined Heat Exchangers Such heat exchangers are used in plate type and shell-in-shell type constructions, and are available with a heat transfer area of 4 and 10 square metres. These heat exchangers offer greater durability and maintenance-free service compared to other heat exchangers used in corrosive applications.</p> <p>Glass-Lined Columns We have the capacity of manufacturing such columns up to the diameter of 2.4 metres and a length up to 6 metres. With a dedicated infrastructure to manufacture columns, and with over 500 successful installations across the country, we are undisputed leaders in glass-lined columns in India.</p>	<ul style="list-style-type: none"> • Agrochemicals • Speciality and fine chemicals • Dyes and intermediates • Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food 	cGMP Pharma Models	Our cGMP Pharma models strive to cater to the specific requirements of the pharmaceutical industry. Such products are equipped with functional features that eliminate product hold-up, facilitate easy cleaning, enable faster product changes, and have a superior aesthetic finish.	<p>cGMP Agitated Nutsche Filter Dryers (ANFD) Such models of filter dryers comprise various pharma-friendly features such as detachable bottoms with double-lip sealing to eliminate product hold-up and enable quick opening of the equipment.</p> <p>cGMP Rotary Vacuum Paddle Dryers (RVPD) These filter dryer models have a quick access cantilever design, for pharmaceutical, cleanroom and sterile applications.</p> <p>cGMP Glass-Lined Reactors These glass-lined reactor models are made up of special pharma glass - GEL 2201, which is smooth and is free of biologically-hazardous metals, and is exceptionally corrosion resistant in nature.</p>	<ul style="list-style-type: none"> • Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food



Company Overview (contd.)

Milestones Over Six Decades

Over the years, we have seen a paradigm shift from a chemical manufacturer to an engineering product manufacturing company, empowering the chemical and pharmaceutical sectors across the world.



■ Engineering business ■ Group's chemical business

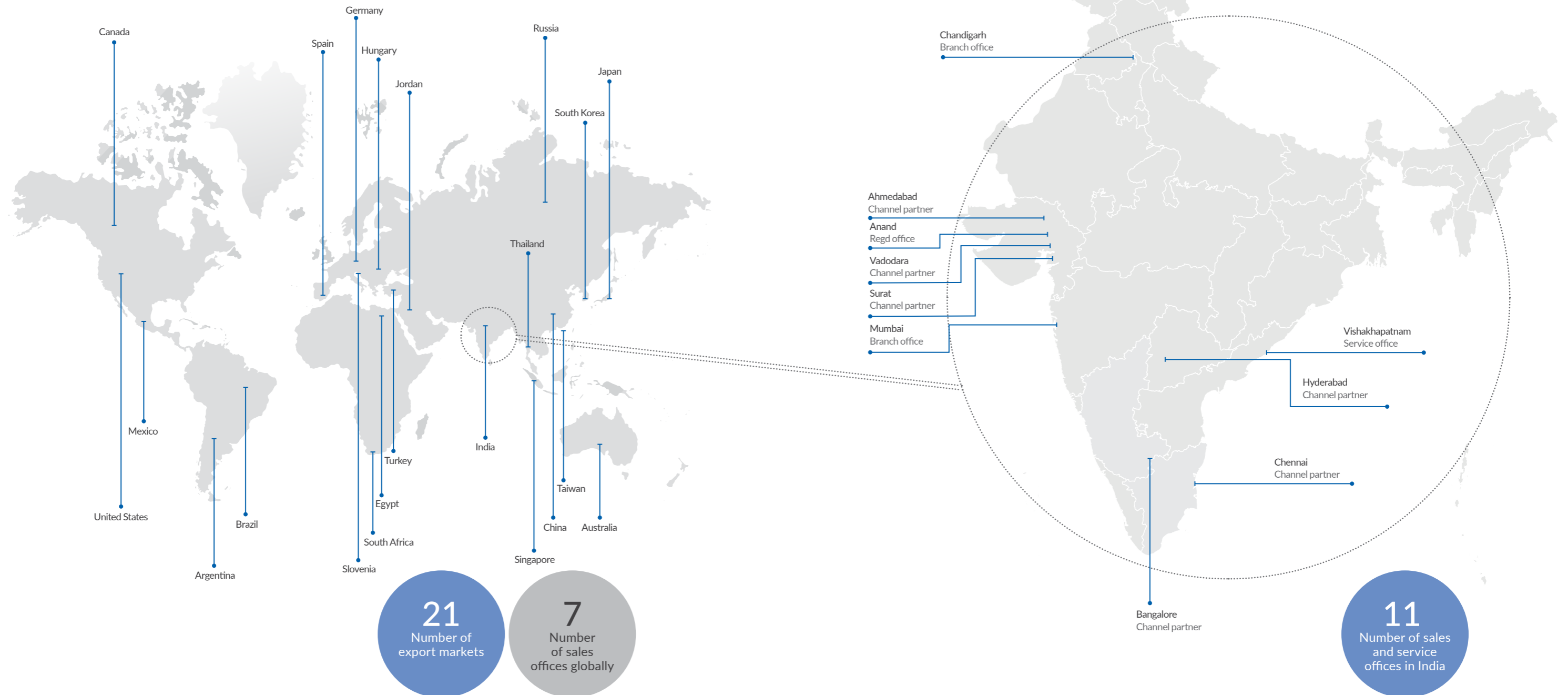




Company Overview (contd.)

Making Our Mark Across the World

Leveraging our decades of experience, we have emerged as the leading manufacturer of process equipment for chemical and pharmaceutical sectors, across the world, marked by a presence across 22 countries.





Chairperson's Message

Shining Through the Storm



Dear Shareholders,
I am pleased to present our 30th Annual Report for the year 2020-21, and inform all of you that we have performed well during the fiscal, despite the unprecedented challenges.

The financial year 2020-21 was marked by a global pandemic, namely novel coronavirus (COVID-19), which brought the global economy to its knees. To counter the pandemic, India opted for a nationwide voluntary lockdown, which disrupted economic activities and trade across the country, resulting in a contraction of the Indian economy by 8% during the fiscal.

Despite the challenges throughout the year following the onset of the pandemic, we are happy to report a total income of Rs. 48,842.25 Lakhs in 2020-21, compared to Rs. 43,121.16 Lakhs in 2019-20, clocking a y-o-y growth of 13.27% on the back of a strong order book and a sharp focus on our strategic priorities. The first quarter of the fiscal suffered a setback, owing to the lockdown. The second quarter saw a little relief, before picking up and seeing rapid recovery from the starting of third quarter.

Strategic focus areas

- Continuous product category expansion, to cater to ever-changing customer needs, and retain its position in the market as a one-stop solution provider
- Consistent scaling of capacity to cater to the increasing demand across geographies
- Progressive geographic expansion, ensuring both expanding to new markets and deepening penetration in existing markets

Operational and financial performance

On the back of our strategic priorities, we have successfully sustained our operational and financial performance. During the fiscal, we also saw our EBITDA growing by 25.39% y-o-y to reach Rs. 9,558.77 Lakhs over Rs. 7,623.15 Lakhs in 2019-20. Further, our profit after tax stood strong at Rs. 5,337.10 Lakhs in 2020-21 compared to Rs. 3,919.98 Lakhs in 2019-20, registering a y-o-y growth of 36.15%.

Further, in the year under review, the revenue from filtration and drying equipment has increased by 21.27% y-o-y and glass-lined equipment segments has increased by 31.28% y-o-y. This performance was delivered despite our gradual exit from our chemical manufacturing business segment. As a result, we have also planned to use the land which housed our chemical plants for the expansion of our filtration and drying equipment business.

During the fiscal 2020-21, we have initiated a major greenfield expansion at Silvassa and a capacity enhancement at Maroli works for manufacturing filtration and drying products. We also embarked on a capacity expansion plan at Anand works, wherein additional furnaces were acquired, to scale

the capacity by around 25%, and is expected to be completed by the first quarter of 2021-22.

Built on values

At HLE Glascoat Limited, we believe that our passion is what drives us. Over the decades, we have fortified our presence globally as a process equipment manufacturer, on the back of our strong ethical pedigree, which stands on 3 foundation pillars – passion, excellence and integrity.

During the fiscal 2020-21, we continued with our endeavour of creating value for all our stakeholders with the help of a capable and passionate team, which works in accordance with best-in-class manufacturing standards and delivers world-class innovations.

→ [Read more on pages 14-21](#)

Response to COVID-19

The COVID-19 pandemic affected our performance in the first two quarters of the fiscal 2020-21. The nationwide lockdown marked the beginning of the fiscal. Being a supplier to the pharmaceutical industry, we applied for a special permission to continue our operations aiding the essential services sector. To ensure business sustenance, we prepared a standard response protocol for the pandemic, under which, we ensured resuming business operations

Despite the challenges throughout the year following the onset of the pandemic, we are happy to report a total income of Rs. 48,842.25 Lakhs in 2020-21, compared to Rs. 43,121.16 Lakhs in 2019-20, clocking a y-o-y growth of 13.27%

post receiving the permission from government, in accordance with the guidelines and protocols set by the Indian government. Post the lifting of lockdown restrictions, we resumed operation at full throttle with the entire workforce. In order to ensure health and safety of our employees, we maintained proper social distancing norms not only in the manufacturing units, but also across our corporate offices, in addition to periodic sanitisation and temperature checks.

Outlook

We have sharpened our focus on growing our top line and bottom-line in the foreseeable future by our consistent focus on strategic priorities. Under these priorities, we are focussed on diversifying our product basket, ramping up capacities, and expanding our footprint across the country.

During the fiscal 2020-21, we planned a capacity expansion in our Maroli plant, that would help us scale our filtration and drying equipment capacity by 25%, and would be completed by the end of 2021-22. Further, we have also planned to set up a new manufacturing unit at Silvassa for filtration and drying equipment by the end of 2021-22.

Acknowledgement

I would like to thank the members of the Board for their support and counsel. I would also like to express my warm regards to our entire team, who have unwaveringly contributed to the growth and development of HLE Glascoat Limited, in the whirlwind of a year that has gone by. I would like to express my appreciation for the faith and trust shown by our customers, shareholders and investors.

Regards,

Himanshu Patel

Chairperson and Managing Director



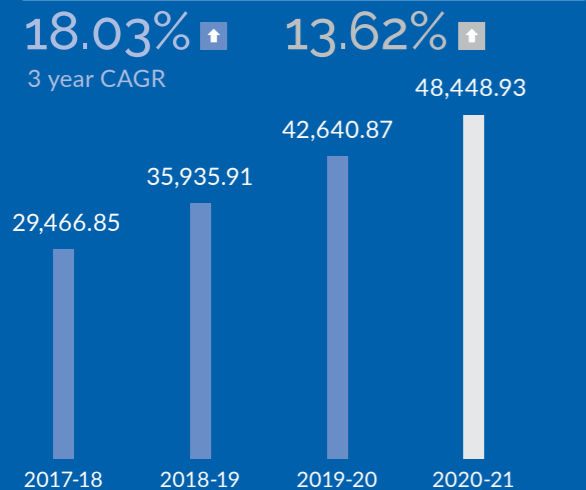
Key Performance Indicators

Our Stable Growth Trajectory

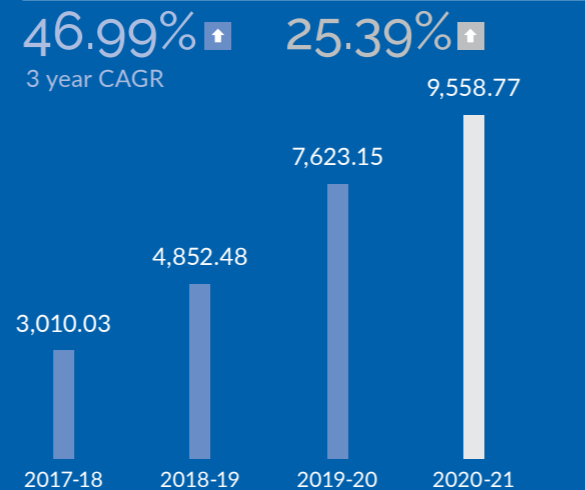
Over the years, we have leveraged our inherent strengths and focussed market strategies to grow consistently. During the fiscal 2020-21, our immediate and sharp response to the pandemic, helped us sustain this consistency in performance.

Profit and loss indicators*

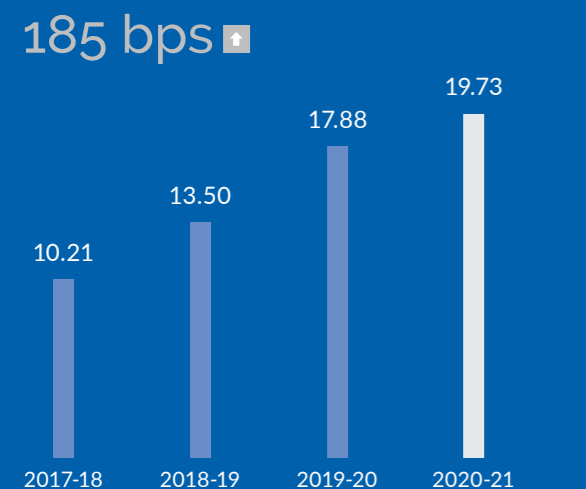
Revenue (Rs. in Lakhs)



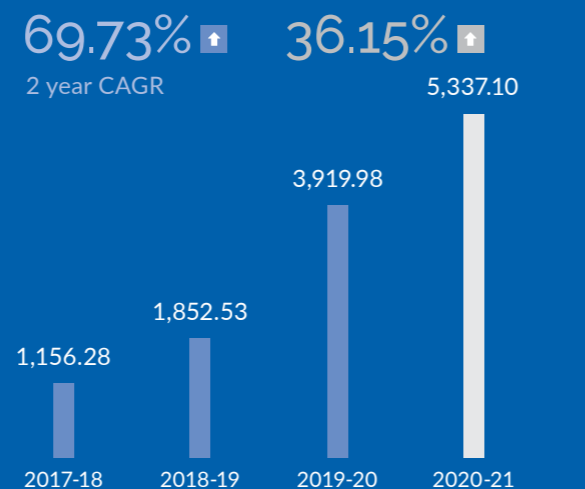
EBITDA (Rs. in Lakhs)



EBITDA Margin (%)



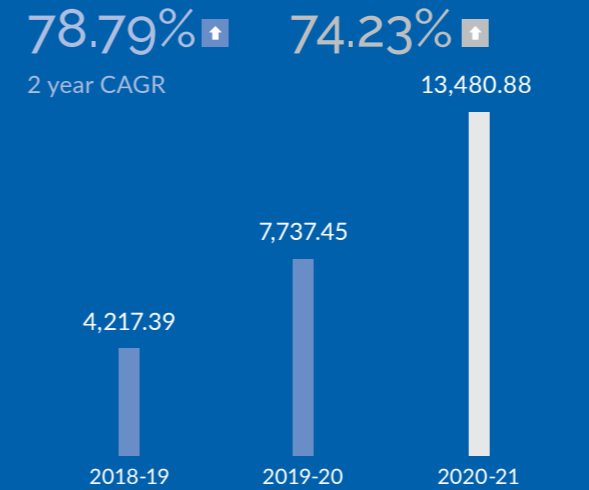
PAT (Rs. in Lakhs)



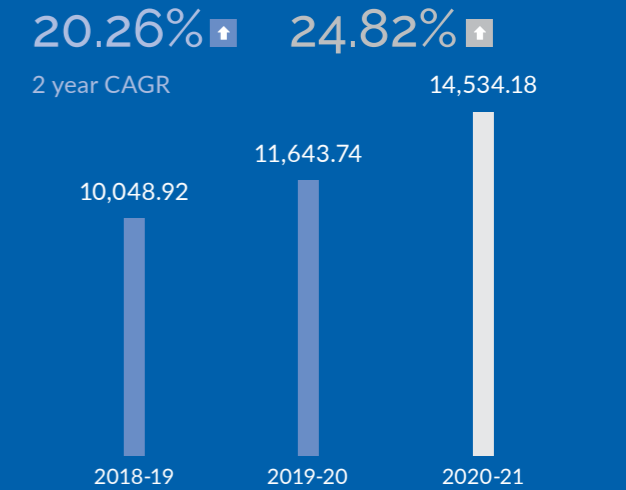
Balance sheet indicators*

CAGR ↑ y-o-y ↑

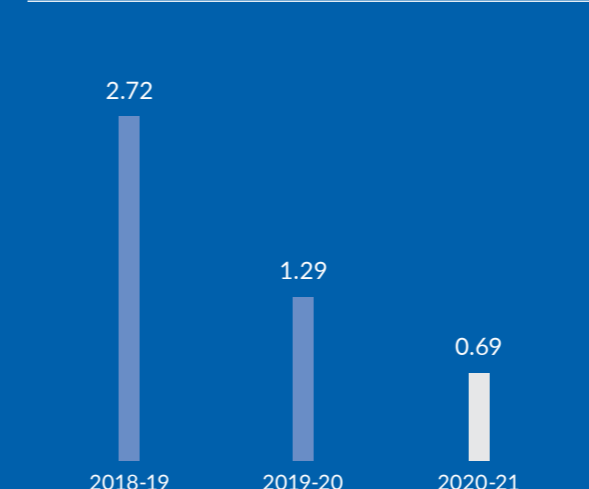
Net Worth (Rs. in Lakhs)



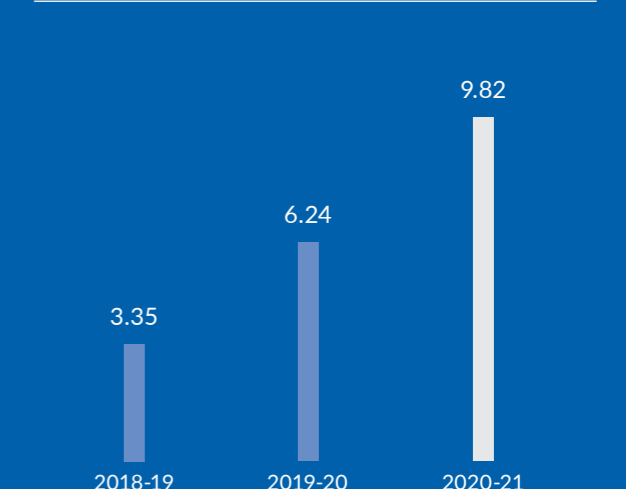
Gross Block (Rs. in Lakhs)



Debt Equity Ratio



Interest Coverage Ratio (Times)



*Considering that the Appointed Date of the Scheme of Arrangement between HLE Engineers Private Limited and Swiss Glascoat Equipments Limited was 1st April 2018, the figures in the Profit and Loss indicators provided for 2017-18 have been restated to reflect consolidated numbers of HLE Engineers Private Limited and Swiss Glascoat Equipments Limited (now HLE Glascoat Limited) for better understanding.



Corporate Strengths

A Differentiated Positioning

At HLE Glascoat Limited, we strive to create impactful value for all our stakeholders. We are not just equipment suppliers. We leverage our unique strengths to provide meaningful solutions for chemical manufacturing. This has helped us carve out a dominant position in the sector, and sustain our market share.

There are primarily 5 strength that helps us become a world-class manufacturer, built on passion, excellence and integrity.

- S1
- S2
- S3
- S4
- S5

S1
People-centricity: supply chain, employees, customers

S2
Innovation

S3
Product and capacity expansion

S4
Corporate governance

S5
Financial discipline

Corporate Strengths

Banking on Passion

At HLE Glascoat Limited, we believe in being motivated and passionate about what we do, across all levels of hierarchy, starting from the senior management to the employees and factory workers.

In achieving a culture, where everyone is equally passionate and motivated to create value for all stakeholders, we strive to be people-centric and ensure the creation of a robust people culture.

STRENGTHS LEVERAGED

S1

Building a team that resonates passion

During the fiscal 2020-21, we focussed on granularisation of our people management process, into workplace solutions and people success. Under the workplace solutions, we strive to deliver a world-class working experience to our employees, ensuring increased employee engagement and motivation. Further, the people success function deals with talent identification, recruitment, training, development and retention.



Corporate Strengths

Leveraging Excellence

At HLE Glascoat Limited, we have been continuously servicing our customers with class-leading quality products, on the back of our strong innovation capabilities and our manufacturing excellence.

Leading through innovation

We have in place a pilot plant and a R&D facility, which enables us to continuously offer innovative solutions to customer problems. We consistently stay ahead of the innovation curve, since more than 70% of our business

is generated from customised orders. Apart from offering product trials and demonstrations, this pilot plant also enables us to scale and improve our end-to-end process, improve lifecycle management of products, and enhance

the product and process design to ensure quicker turnaround times. Our experience in designing, building and operating chemical plants also enables us to have insights that help us stay ahead of the competition.

35
Size of design and engineering team

STRENGTHS LEVERAGED
S2 S3

Manufacturing excellence

We have 3 state-of-the-art integrated process equipment manufacturing plants, marked with the following capabilities:

Special purpose machines (SPMs) and tooling	Unmatched welding	Precision machining	Productive management and production planning
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Leveraging these capabilities, and empowered by the stringent quality control systems, in collation with the guidance of our R&D team, we are the best-in-class equipment manufacturer in India.

40,000 Shopfloor area (square metres)	70 Overhead cranes	2 Robotic welding stations	150 Qualified welders	35 CNC, Heavy and Conventional Machine Tools
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Further, in order to ensure greener and more efficient processes, we installed a new gas-powered furnace instead of conventional electric furnaces, thereby reducing our overall energy consumption and increasing efficiencies.

Order book position

We are the undisputed leaders in filtration drying equipment sector, and the second-largest manufacturer of glass-lined equipment, with proven capabilities in exotic metal equipment. This has helped us emerge as a one-stop solution provider to our customers, thus, fortifying our position in both international and domestic markets. As on 31st March 2021, we had an order book of 6-7 months.

6-7
months of order book as on 31st March 2021





Corporate Strengths

Guided by Integrity

At HLE Glascoat Limited, we believe integrity and ethics play a pivotal role in creating a robust governance framework. Our idea of good governance is to promote transparency, accountability, awareness and equity in all aspects of our operations.

Over the years, we have successfully created a strong governance framework, which is upheld by an effective Board of Directors, and its committees. The committees in turn have specific teams working under them, thus, ensuring the involvement of the entire workforce in the governance of the Company.

STRENGTHS LEVERAGED

S4 S5

Integrity is the bedrock of good governance

Board of Directors

We have 8 Board members, including 4 Independent Directors. Our Board brings to the table diverse skills and expertise in the fields of manufacturing, sales and marketing, business management, banking, finance, accounts, leadership and governance, legal and regulatory matters and risk management, and relevant technologies. The Board meets every quarter to review the Company's performance.

Board Composition



Himanshu Patel
Chairperson and Managing Director



Aalap Patel
Executive Director (Technical)

M M M



Nilesh Patel
Non-Executive Director



Harsh Patel
Non-Executive Director

M



Vijayanti Punjabi
Independent Director

C M



Yatish Parekh
Independent Director

C M



Sandeep Randery
Independent Director

C C M



Jayesh Shah
Independent Director

M M M

C
M

● Audit Committee

● Stakeholders Relationship Committee

● Nomination & Remuneration Committee

● Corporate Social Responsibility Committee



Corporate Strengths

Board Diversity



Leadership Team



Himanshu Patel
Chairperson and Managing Director



Aalap Patel
Executive Director (Technical)



Nilesh Patel
Non-Executive Director



Harsh Patel
Non-Executive Director

Strong Governance Translating into Financial Discipline

Led by a strong leadership team, with the coalition of Board of Directors and committees of the Board, guided by integrity and values, we ensure strict financial discipline at a company level. Further, we have extensively focussed on undertaking de-risking measures to ensure long-term revenue and margin sustenance.

The de-risking measures included:

- Reducing our dependence on specific downstream sectors, and diversifying our business well enough to cater to multiple downstream sectors
- Reducing dependence on any specific markets, and diversifying presence not just in the country, but also across the world
- Create a widespread product portfolio, reducing dependence on any one specific product for generating revenues

During the year 2020-21, we also deleveraged our Balance Sheet on the back of preferential allotment of warrants of Rs. 80 Crores and an equity placement of Rs. 20 Crores, improving our debt equity ratio to as low as 0.69.

At HLE Glascoat Limited, we strive to attain financial discipline on the back of a de-leveraged Balance Sheet and maintaining stable working capital by opting for long-term finance options. Further, during the year under review, we used a steady mix of internal accruals and debt to fund our capex plans.





Corporate Information

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

Company Secretary and Compliance Officer

Ms. Dhvani Shah

Chief Financial Officer

Mr. K. V. Unnikrishnan

Statutory Auditors

M/s. M. M. Nissim & Co. LLP
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

Lenders

State Bank of India
HDFC Bank Limited
Citi Bank
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 and Share Transfer Agent

Link Intime India Private Limited
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020

Statutory Reports



Notice

NOTICE is hereby given that the 30th Annual General Meeting of HLE GLASCOAT LIMITED (formerly SWISS GLASCOAT EQUIPMENTS LIMITED) will be held on Tuesday, 7th day of September, 2021 at 11:00 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:

- the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2021, together with the Report of the Auditors thereon.

2. To declare dividend of Rs. 4 per equity share of Rs. 10 each for the financial year 2020-21.

3. To confirm dividend of Rs. 0.95 per preference shares of Rs. 10 each paid for the financial year 2020-21 in accordance with the terms of issue.

4. To appoint a Director in place of Mr. Harsh Patel (DIN: 001418673), Director who retire by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. Re-appointment of Ms. Vijayanti Punjabi (DIN 07651296) as the Independent Director of the Company:

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

RESOLVED THAT-

- pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulations 17 and 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Ms. Vijayanti Punjabi (DIN 07651296), an Independent Director of the Company, whose period of office is liable to expire on 30th December, 2021 and who has submitted a declaration that she meets the criteria of independence under

Section 149(6) of the Companies Act, 2013 read with Listing Regulations as amended from time to time and as recommended by the Nomination & Remuneration Committee of the Company, the consent of Members is hereby accorded for re-appointment of Ms. Vijayanti Punjabi (DIN 07651296) as an Independent Director of the Company, not liable to retire by rotation, and to hold the office for a second term of 5 (five) consecutive years commencing from 31st December, 2021;

(ii) the Board of Directors is authorised take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution;

(iii) any Director or Company Secretary of the Company is hereby authorised to file necessary forms i.e. DIR-12 and MGT- 14 with the Registrar of Companies, and to do all such acts, deeds and things as may be required to give effect to the said resolution;

(iv) the Company Secretary of the Company is also hereby authorised to make necessary entries in the respective registers and records of the Company."

6. Ratification/ Approval of remuneration payable to Cost Auditors for financial year 2021-22

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 of Rs. 1 (one) Lakhs only 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 31st March, 2022, is hereby ratified and approved."

By the Order of the Board of
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-

Ms. Dhvani Shah

Company Secretary

Date: 12th June, 2021

NOTES:

(A) THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE BUSINESS UNDER ITEM NOS. 5 AND 6 OF THE ACCOMPANYING NOTICE IS ANNEXED HERETO.

(B) INSTRUCTIONS FOR PARTICIPATION THROUGH VC

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2021 dated 13th January, 2021, read with Circular no. 20 dated 5th May, 2020 read with Circular No. 14 dated 8th April, 2020 and Circular No. 17 dated 13th April, 2020 (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (hereinafter collectively referred to as "SEBI Circulars"), 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, Attendance Slip and including route map are not annexed to this Notice.

- 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 or 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. 7th September, 2021. Members seeking to inspect such documents can send an email to share@glascoat.com or 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 at least 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 or 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 2020-21 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 circulars issued by SEBI dated 15th January, 2021 and 12th May, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website: www.hleglascoat.com by accessing the web-link <https://hleglascoat.com/annual-report/>; and on the website of BSE Limited at www.bseindia.com and on the website of Company's Registrar and Share Transfer Agent, Link Intime India Pvt Ltd, i.e., www.instameet.linkintime.co.in 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. In terms of Section 152 of the Act, Mr. Harsh Patel is liable to retire by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

9. The OAVM platform "InstaMeet" of the RTA of the Company - Link Intime India Private Limited has been chosen for conducting the 30th 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) ARE AS UNDER:**

- (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, Chairpersons 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) The detailed instruction for attending the Annual General Meeting through VC/ OAVM is annexed hereto and forms part of this Notice.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING:

- (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 or sachin.dalwadi@glascoat.com from 23rd August, 2021 (9:00 a.m. IST) to 3rd September 2021 (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. They will receive confirmation for the same.
- (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.

The other instructions for registration as speakers during Annual General Meeting is annexed hereto and forms part of this Notice.

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:

The instructions for of the same is given as an annexure hereto which forms part of this Notice.

GENERAL GUIDELINES FOR VC / OAVM PARTICIPATION:

- (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:

In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the Meeting.

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 detailed as an annexure hereto and forms part of this Notice.

(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. (LIPL) 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 4th September, 2021 (9:00 a.m. IST) and ends on 6th September, 2021 (5:00 p.m. IST). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off date 31st August, 2021, may cast their vote electronically. Thereafter, the Remote E-voting module shall be disabled by LIPL at 5.00 p.m. IST on the last day i.e. 6th September, 2021. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

- ii. Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated 9th December, 2020:

Pursuant to SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form 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. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click "confirm" (Your password is now generated). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
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Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.



- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

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

iii. Cast your vote electronically

- 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.210165" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- 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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- 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.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- 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:

- 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.

- 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.
- 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.
- 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.hleglascoat.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:

- 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.
- 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.

- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting facility by first holder.
- 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.
- The Register of Members and Share Transfer Books of the Company, for the shares held in physical form, will remain closed from 1st September, 2021 to 3rd September, 2021 (both days inclusive).
- 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, 2014 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 2013-14 is 9th October, 2021. Hence, members are requested to realise their unpaid dividend amount atleast one month before the due date.
- 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
2013-14	11 th September, 2014	9 th October, 2021	2017-18	3 rd August, 2018	1 st September, 2025
2014-15	10 th September, 2015	8 th October, 2022	2019-20 (Interim Dividend)	5 th March, 2020	2 nd April, 2027
2015-16	25 th July, 2016	23 rd August, 2023	2019-20 (Final Dividend)	5 th October, 2020	2 nd November, 2027
2016-17	28 th August, 2017	26 th September, 2024			



The statements of unpaid/ unclaimed dividend amount as on for the previous financial year- Form IEPF-2 and for shares transferred to IEPF Authority- Form IEPF-4 are uploaded on the Company's website: www.hleglascoat.com by accessing the web-link <https://hleglascoat.com/unpaid-dividend/> 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.hleglascoat.com in IEPF 2 section by accessing the web-link <https://hleglascoat.com/unpaid-dividend/> for any assistance related to transfer of shares/ dividend to IEPF.

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 28th August, 2021.

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 28th August, 2021.

8. A separate reminder has also been sent to those Shareholders having unclaimed dividends related to financial year 2013-14 to 2019-20.

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.hleglascoat.com).

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 1st April, 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 -

- 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.
- Members holding shares in dematerialized form by lodging their request with their DPs.

14. Members are requested to notify immediately:

- Any change in their residential address.
- Income-tax Permanent Account Number (PAN).
- 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-

- change in their residential status to India for permanent settlement;
- 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 "HLE Glascoat 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.hleglascoat.com and can be accessed through web-link: <https://hleglascoat.com/unpaid-dividend/>. 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. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

By the Order of the Board of
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Ms. Dhvani Shah

Date: 12th June, 2021

Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5**

The term of Ms. Vijayanti Punjabi as an Independent Director is due to expire on 30th December, 2021. Further, Ms. Vijayanti Punjabi has cleared her proficiency exam in accordance with the provisions of the Companies ((Appointment and Qualifications of Directors) Rules, 2014.

The Nomination and Remuneration Committee of the Company has recommended for re-appointment of Ms. Vijayanti Punjabi as an Independent Director for a period of 5 years with effect from 31st December, 2021. Also, in the opinion of the Board, Ms. Vijayanti Punjabi fulfils the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for appointment as Independent Director of the Company.

Further, Ms. Vijayanti Punjabi has provided her consent for the same and a declaration of independence notice under Section 160 of the Companies Act, 2013. A brief profile of Ms. Vijayanti Punjabi, including nature of her expertise, is provided in the Annexure hereto, which forms part of the Explanatory Statement. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for electronic inspection as stated in this Notice up to the date of this Annual General Meeting of the Company and is also available on the website of the Company www.hleglascoat.com.

The Board of Directors recommends the resolution for your approval as special resolution for re-appointment of Ms. Vijayanti Punjabi as an Independent Director of the Company.

None of the Directors or Key Managerial Personnel and their relatives, except Ms. Vijayanti Punjabi, are concerned or interested, either financially or otherwise, in this Resolution. The Board recommends the Special Resolution set out at Item no. 5 for approval of the Members.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs. 1 (one) Lakhs 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 31st March, 2022.

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 31st March, 2022 by passing an Ordinary Resolution as set out at Item No. 6 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. 6 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 6 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.

By the Order of the Board of
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Ms. Dhvani Shah
Company Secretary

Date: 12th June, 2021

ANNEXURE TO THE EXPLANATORY STATEMENT

Details of personnel seeking appointment at the 30th Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Particulars	Mr. Harsh Patel	Ms. Vijayanti Punjabi
Date of Birth	9th September, 1977	12th March, 1962
Date of 1st Appointment on the Board	31st December, 2016	31st December, 2016
Qualifications	B. E. (Chemical Engineering), M.B.A.	PGD (HRM)
Expertise	More than 17 years of experience in the business of chemicals and engineering.	She is a qualified Human Resources Consultant having an overall work experience of more than 35 years.
Directorships held in other public companies	None	None
No. of shares held in the Company	18,59,580 equity shares of face value of Rs. 10	Nil
Relations with Other Directors	He is son of Mr. Himanshu Patel, First Cousin of Mr. Aalap Patel and Nephew of Mr. Nilesh Patel, who are the Directors of the Company w.e.f. 31st December, 2016.	None
Pecuniary Relations with the Company	Following companies/ entities, in which Mr. Harsh 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 <ul style="list-style-type: none"> • Yashashvi Rasayan Private Limited • HLE Engineers Private Limited • M/s HL Equipments • Yash Speciality LLP 	None

**PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:****1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>**

- o Select the “Company” and ‘Event Date’ and register with your following details: -
 - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
 - C. **Mobile No.:** Enter your mobile number.
 - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- o Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) 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.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id of the Company: share@glascoat.com or sachin.dalwadi@glascoat.com
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. 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’.

5. 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.
6. 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.

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

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

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

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

InstaMeet Support Desk

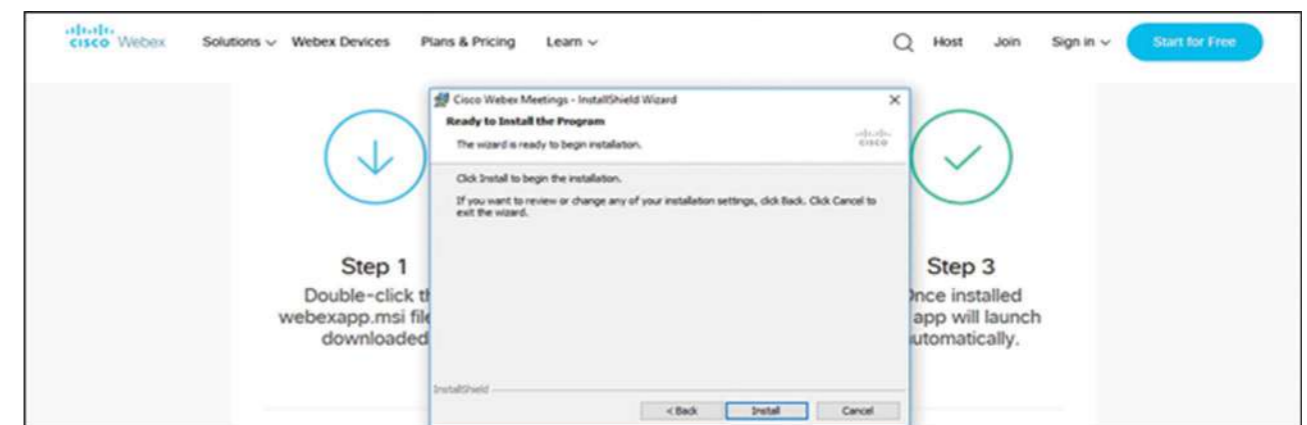
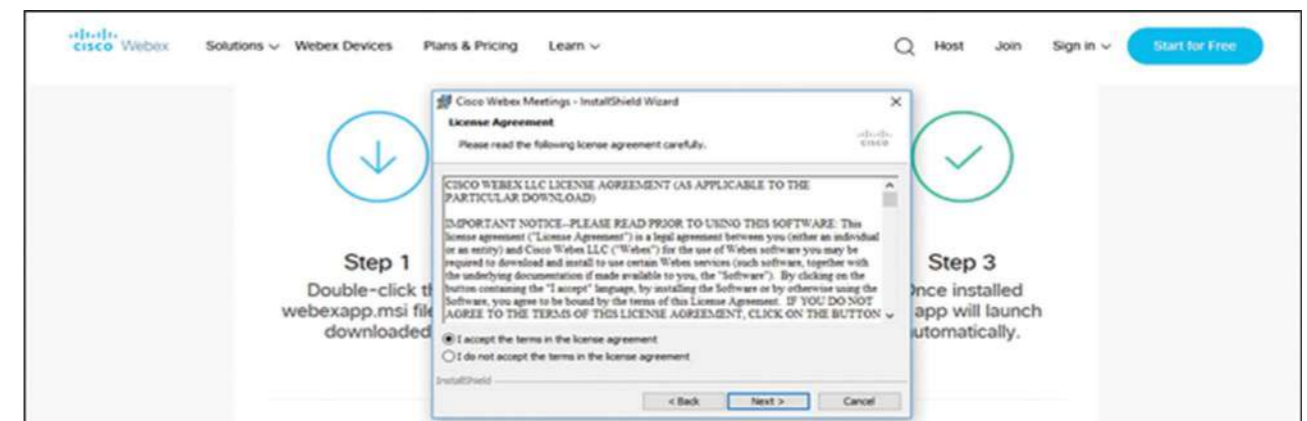
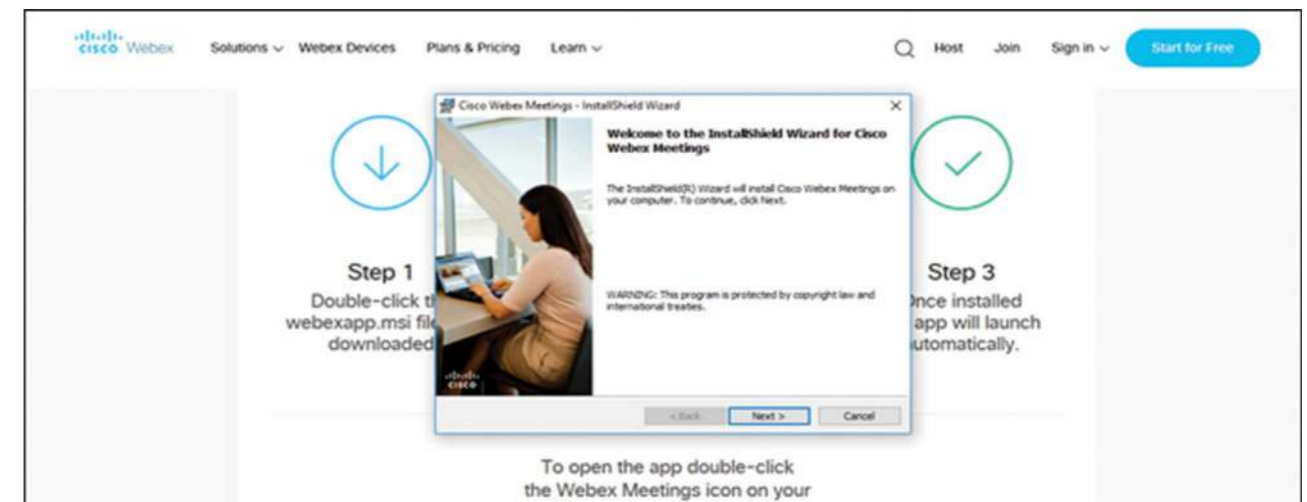
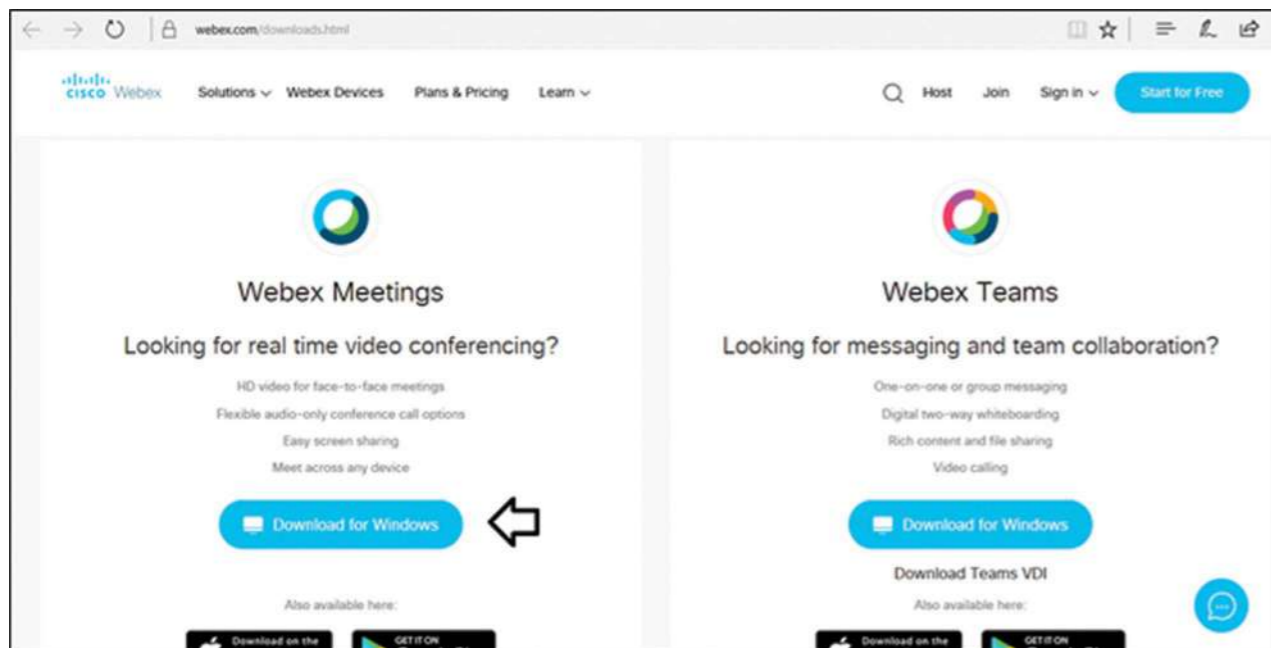
Link Intime India Private Limited

ANNEXURE

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

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



or

- 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 Now.

- 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 Now

Board Report

Dear Members,

Your Directors are pleased to present the 30th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2021.

▶ FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

PARTICULARS	Consolidated		Standalone	
	2020-21	2019-20*	2020-21	2019-20*
Revenue from Operations	48,448.93	42,640.87	42,071.11	38,738.01
Other Income	393.32	480.29	1,200.33	924.61
Total Income	48,842.35	43,121.16	43,271.44	39,662.62
Profit before Finance Costs, Depreciation, Exceptional Items, Extraordinary Items and Tax	9,558.77	7,623.15	8,929.07	7,199.72
Less: Finance Costs	973.70	1,222.22	943.35	1,183.38
Profit before Depreciation, Exceptional Items, Extraordinary Items and Tax	8,585.07	6,400.93	7,985.72	6,016.34
Less: Depreciation/ Amortisation/ Impairment	860.99	744.43	836.55	722.42
Profit before Exceptional Items, Extraordinary Items and Tax	7,724.08	5,656.50	7,149.17	5,293.92
Less: Exceptional Items and Extraordinary Items	-	-	-	-
Profit before Tax	7,724.08	5,656.50	7,149.17	5,293.92
Less: Current Tax, net of earlier year adjustments	2,396.05	1,673.49	1,926.53	1,411.49
Less: Deferred Tax	(9.07)	63.03	(12.09)	63.80
Profit after tax for the financial year (A)	5,337.10	3,919.98	5,234.73	3,818.63
Profit for the financial year from Continuing Operations	5,113.99	-	5,011.62	-
Profit for the financial year from Discontinuing Operations	223.11	-	223.11	-
Profit for the financial year (A)	5,337.10		5,234.73	3,818.63
Total Other Comprehensive Income/ Loss (B)	(39.54)	(32.95)	(39.54)	(32.95)
Total Comprehensive Income for the financial year (A+B)	5,297.56	3,887.03	5,195.19	3,785.68
Earnings Per Share (EPS in Rupees)				
From Continuing Operations				
Basic	39.41	30.31	38.63	29.53
Diluted	39.41	30.31	38.63	29.53
From Discontinuing Operations				
Basic	1.72	-	1.72	-
Diluted	1.72	-	1.72	-

*Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary.

▶ BUSINESS OVERVIEW

The financial year 2020-21 in India and globally has been gripped by COVID-19 pandemic. Many businesses and manufacturing and service facilities faced challenges to resume the operations after the lockdown declared by the Central and State Government. 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, resulting in delay of deliveries of the products to the customers and incurrence of fixed costs (salaries, 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) had a short-term impact on the overall output and efficiency of operations of your Company.



The outbreak of the Covid-19 pandemic globally and in India caused slowdown of economic activity in the month of March 2020. The Company's production was shut down for a few days in March 2020 as well as in the quarter ended June 2020. Based on several management actions and general positive outlook among the user industries, the Company continued to grow despite the challenging economic conditions during the financial year ended 31st March, 2021. Further, during the months of March 2021 to May 2021, the country has witnessed a second wave of Covid-19 infections. Due to the restrictions imposed by the authorities, the Company had limitations in operations caused by regional lockdowns, unavailability of oxygen, manpower shortages, logistic issues and other related restrictions. The Company is taking several measures to minimise the financial impact of the second wave of Covid-19 infections.

However, despite facing the challenges consequent to COVID - 19 pandemic, your Company strived to maintain a robust performance and achieved an enhanced sales turnover of Rs. 42071.11 Lakhs as against Rs. 38,738.01 Lakhs during the previous year (growth of 8.60% over previous year) and earned a Net Profit after Tax of Rs. 5234.73 Lakhs as against Rs. 3,818.63 Lakhs during the previous year (growth of 37.08% over previous year). 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 and support of the Company personnel.

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 Board of Directors had resolved for the closure and winding down of the Chemical Business operations. The profit after tax reflecting performance of the discontinuing operations have been stated in the aforesaid financial highlights for the year ended 31st March, 2021.

▶ DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

H L Equipments ("HLEQ" or "the Firm") is a Partnership Firm, in which your Company owns 99% 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. 77.94 crores (previous year Rs. 52.05 crores) for the year ended 31st March, 2021 and earned EBITDA of Rs. 14.50 crores (previous year Rs. 8.73 crores) for the same period. The Firm has a good order book at the year end, which provides a promising visibility of revenue for FY22.

▶ DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 4 (@40%) per equity share of face value of Rs. 10/- each for the financial year ended 31st March, 2021. The Dividend, subject to the approval of Members at the Annual General Meeting scheduled to be held on 7th September, 2021, will be paid, within the time period stipulated under the Companies Act, 2013 (subject to deduction of Tax at source).

The Board of Directors had approved and paid dividend of Rs. 0.95 per cumulative, redeemable preference share for the year 2020-21.

Your Company has entered into list of top 500 listed companies as on 31st March, 2021. Accordingly, Dividend Distribution Policy has been formulated and approved by the Board of the Company, which shall be effective from 12th June, 2021.

▶ TRANSFER TO RESERVES

The Board of Directors of your Company has decided to transfer Rs. 2000 Lakhs to General Reserve for the year under review.

▶ SHARE CAPITAL

Your Company's paid-up Share Capital as on 31st March, 2021 was Rs. 14.57 crores, comprising of 1,30,75,480 equity shares of Rs. 10 each, fully paid up and 18,75,152 9.50% non-convertible, cumulative, redeemable preference shares (NCCRPS) of Rs. 8 each, fully paid up.

During the financial year under review, your Company has redeemed 20% of the face value of 9.50% Non-Convertible Cumulative Redeemable Preference Shares at a premium of Rs.189.38 per share as per the terms of issue out of the profits of the Company in accordance with Section 55 of the Companies Act, 2013.

During the financial year under review, your Company has issued and allotted securities comprising of 5,77,616 convertible warrants and 1,44,404 equity shares of the Company, details of which are as under:

S. No.	Name of the Investor	Nature and number of securities	Price of each security
1.	Malabar India Fund Limited, a category I foreign portfolio investor ("Foreign Investor")	Upto 2,69,638 (Two Lakh Sixty Nine Thousand Six Hundred and Thirty Eight) Convertible Series A Warrants ("FPI Series A Warrants")	Rs. 1,385 (Rupees One Thousand Three Hundred and Eighty-Five only) per FPI Series A Warrant, including a premium of Rs. 1,375 (Rupees One Thousand Three Hundred and Seventy Five only)
		Upto 1,92,455 (One Lakh Ninety Two Thousand Four Hundred and Fifty Five) Convertible Series B Warrants ("Series B Warrants")	Rs. 1,385 (Rupees One Thousand Three Hundred and Eighty-Five only) per Series B Warrant, including a premium of Rs. 1,375 (Rupees One Thousand Three Hundred and Seventy Five only)
		Upto 1,44,404 (One Lakh Forty Four Thousand Four Hundred and Four) Equity shares of the Company ("Ordinary Shares")	Rs. 1,385 (Rupees One Thousand Three Hundred and Eighty-Five only) per Ordinary Share, including a premium of Rs. 1,375 (Rupees One Thousand Three Hundred and Seventy Five only)
2.	Malabar Value Fund - scheme launched under Malabar Investment Trust (SEBI registered AIF category III trust) ("Indian Investor"), represented by the key managerial personnel Mr. Sumeet Nagar and Mr. Akshay Mansukhani	Upto 1,15,523 (One Lakh Fifteen Thousand Five Hundred and Twenty Three) Convertible Series A Warrants ("AIF Series A Warrants")	Rs. 1,385 (Rupees One Thousand Three Hundred and Eighty Five only) per AIF Series A Warrant, including a premium of Rs. 1,375 (Rupees One Thousand Three Hundred and Seventy Five only)

The proceeds from the Preferential Issue of Convertible Warrants and Equity Shares as above are being fully utilised for the purpose as stated in the Offer Letter.

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.

During the year, the Company has not bought back its shares, pursuant to the provisions of Section 68 of Companies Act, 2013 and Rules made thereunder.

The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of Companies Act, 2013 and Rules made thereunder during the year.

During the year, the Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company or its holding Company, pursuant to the provisions of Section 67 of Companies Act, 2013 and Rules made thereunder.

▶ 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 2020-21, 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 have been 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 in 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.hleglascoat.com.

▶ PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS IN 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

During the financial year 2020-21 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. 4.60 Lakhs pertaining to the financial year 2019-20, 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. 3.18 Lakhs have been transferred to the IEPF Authority towards the final equity dividend declared for financial year 2019-20 in the Annual General Meeting held on 19th September, 2020, for the 1,31,104 equity shares held by the IEPF Authority in the financial year 2020-21.
- 7,826 equity shares of Rs. 10 each have been transferred to the IEPF Authority after compliance of due procedures as prescribed and 100 shares have been claimed by the Shareholders from the IEPF Authority in financial year 2020-21.

▶ RELATED PARTY TRANSACTIONS

Your Company has adopted a policy on Related Party Transactions and the said Policy is available in Policies section on www.hleglascoat.com by accessing the web- link <https://hleglascoat.com/corporate-governance/>.

During the financial year under review, your Company has entered into related party transactions on an arm’s length basis and in the ordinary course of business and were 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 as Annexure-I, 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 Company in its regular course of business is vigilant to conserve the resources and continuously implements measures required to save energy. The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation.

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-II, 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 Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto in Annexure-III 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 in Annexure-IV 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.

▶ ANNUAL RETURN

The Annual Return for the financial year 2020-21 has been uploaded on the Company’s website: www.hleglascoat.com, in accordance with the provisions of Section 134 of the Act.

▶ BUSINESS RESPONSIBILITY REPORT [BRR]

Pursuant to the provisions of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with SEBI Circular No. CIR/ CFD/CMD/10/2015 dated 4 November 2015, the Business Responsibility Report detailing the various initiatives taken by the Company on the environmental, social and governance front, is annexed hereto in Annexure-V and forms part of this Report.

▶ 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 in Annexure-VI 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 confirming to the compliance with 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 in Annexure-VII and forms part of this Report.

▶ RISK MANAGEMENT

Your Company follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board.

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 establishes a structured and disciplined approach to Risk Management, in order to guide the Board on decisions on risk related issues. and 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.

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company’s business & processes. In order to achieve the key objective,

The risks faced by the Company and the various measures taken by the Company are detailed in Management Discussion and Analysis section. An extract of Risk Management Policy is available on Company’s website by accessing the web-link: <https://hleglascoat.com/corporate-governance/>

▶ DIRECTORS’ RESPONSIBILITY STATEMENT

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

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

▶ 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.

Mr. Harsh Patel (DIN 00141863), 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. Harsh Patel has been given in the Notice convening the 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), Mr. K. V. Unnikrishnan, Chief Financial Officer of the Company and Ms. Dhvani Shah, Company Secretary are the Key Managerial Personnel of your Company as on the date of this Report.

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. The Policy is available on the Company's website: www.hleglascoat.com in Policies section by accessing the web-link: <https://hleglascoat.com/corporate-governance/>

▶ 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.

▶ CONFIRMATION BY INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank. The Independent Directors to whom the provisions of proficiency test are applicable, will take the said online proficiency self-assessment test in due course.

Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

▶ PERFORMANCE EVALUATION OF THE DIRECTORS

During the financial year 2020-21, 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 12th February, 2021, has carried out the evaluation task of the Committees

formed by the Board and the Independent Directors individually for the period from 1st January, 2020 to 31st December, 2020. 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, 2021, 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, 2020 to 31st December, 2020. 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 the Chairperson and all the other 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 12th February, 2021, 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, 2020 to 31st December, 2020. 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.hleglascoat.com in Corporate Social Responsibility section.

The CSR activities as required to be undertaken under Section 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 2020-21, amount unspent and the reason for the unspent amount, is annexed hereto in Annexure-VIII and forms part of this Report.

▶ VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Whistle Blower Policy as envisaged under the provisions of Section 177 (9) of the Act and the Rules thereunder and Regulation 22 of the SEBI Listing Regulations and a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s) and Directors to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted/framed from time to time. The Policy provides for protecting confidentiality of those reporting violation(s) and restricts any discriminatory practices against them. The mechanism provides for adequate safeguards against victimisation of employee(s) and Directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

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 2020-21, 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.

The details of establishment of Vigil mechanism/ Whistle Blower policy and the contact details of the Whistle Officers are available on the Company's website: www.hleglascoat.com.



▶ 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 2020-21.

No. of complaints not resolved as on 1st April, 2020: Nil

No. of complaints received in financial year 2020-21: Nil

No. of complaints resolved in financial year 2020-21: Nil

No. of complaints pending as on 31st March, 2021: Nil

▶ MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY'

Your Company has approved in Board Meeting dated 5th May, 2021 conversion of 385,161 Series A Warrants into 385,161 Equity Shares of Rs. 10 each at a premium of Rs.1375 per equity share fully paid up which shall rank pari-passu with existing equity shares of the Company, as per the terms approved by the Shareholders in the Extra-ordinary General Meeting dated 01st December, 2020.

Except as stated above, 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

The Company has strong integrated systems for internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit

observations and corrective actions thereon were presented to the Audit Committee of the Board.

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.

In accordance with the requirements of the 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. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107122W/W100672) have been appointed as the Statutory Auditors of your Company for a tenure of 5 (five) years from 28th August, 2017. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report given by M/s. M. M. Nissim & Co, Statutory Auditors, on the Financial Statements of your Company, for the year ended 31st March, 2021, 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 2020-21 in accordance with Section 204 of the Act. The Report on Secretarial Audit for the financial year 2020-21, 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 2021-22. 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 2020-21; 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 2020-21.

Pursuant to provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, on the recommendation of the Audit Committee, 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 2021-22. 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 2020-21 of the said records has been carried out 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 2021-22. The Company has received the consent from them for their appointment. Accordingly, the Board of Directors recommends to the Members, the resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2021-22 as per details provided in the Notice of the ensuing Annual General Meeting.

▶ LISTING ON NSE LIMITED

National Stock Exchange Limited (NSE) has suo moto allowed trading of Company's equity shares on their platform vide their circular dated 18th February, 2021, since the market cap of the Company increased, with effect from 18th February, 2021.

▶ 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 99% 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.

During the year under review, there were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

During the year under review, there was no one time settlement with the Banks/ Financial institutions.

▶ 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: 12th June, 2021



Annexure I

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 has not 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

The Company had not entered into any material contracts or arrangements or transactions entered during the year under review. However, details of material contracts or arrangements or transactions entered during the year under review at arm's length basis are provided hereunder:

Name(s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Date(s) of approval by the *Audit Committee/ Board, if any	Amount paid as advances, if any
1. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
HLE Engineers Private Limited ("HEPL")	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 HELP; Mr. Aalap Patel - Executive Director (Technical) of the Company, is the shareholder of HELP.	12 months	Period of Transactions: 2020 to 31st March, 2021 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.	1 st April, 20 th June, 2020	Nil
2. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
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 Private Limited. Mr. Harsh Patel -Non- Executive Director of the Company is Shareholder in H N Indigos Private Limited.	12 months	Period of Transactions: 2020 to 31st March, 2021 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.	1 st April, 20 th June, 2020	Nil

Name(s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Date(s) of approval by the *Audit Committee/ Board, if any	Amount paid as advances, if any
3. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
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 the son of Mr. Nilesh Patel and cousin of Mr. Harsh Patel.	12 months	Period of Transactions: 2020 to 31st March, 2021 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.	1 st April, 20 th June, 2020	Nil
4. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
M/s H L Equipments	The Company is a partner in M/s H L Equipments	12 months	Period of Transactions: 2020 to 31st March, 2021 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.	1 st April, 20 th June, 2020	Nil
5. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
Yashashvi Rasayan Private Limited	Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Harsh Patel- Non Executive Director, Mr. Nilesh Patel - Non Executive Director of the Company are the Directors of Yashashvi Rasayan Pvt.Ltd. Mr. Aalap Patel-Executive Director (Technical) of the Company is son of Mr. Nilesh Patel.	12 months	Period of Transactions: 2020 to 31 st March, 2021 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.	1 st April, 20 th June, 2020	Nil



Name(s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Date(s) of approval by the *Audit Committee/ Board, if any	Amount paid as advances, if any
6. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
Newpar Aromatics LLP	Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Nilesh Patel - Non Executive Director of the Company are the Partners of Newpar Aromatics LLP. Mr. Harsh Patel - Non-Executive Director is the son of Mr. Himanshu Patel, Mr. Aalap Patel- Executive Director (Technical) is the son of Mr. Nilesh Patel	12 months	Period of Transactions: 1st April, 2020 to 31st March, 2021 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.	20 th June, 2020	Nil
7. Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)					
Maroli Udhyognagar Land Development and Management Company Private Limited	Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Nilesh Patel - Non Executive Director of the Company are the Directors and Shareholders of Maroli Udhyognagar Land Development and Management Company Private Limited. Mr. Harsh Patel - Non-Executive Director is the son of Mr. Himanshu Patel, Mr. Aalap Patel- Executive Director (Technical) is the son of Mr. Nilesh Patel	12 months	Period of Transactions: 1 st April, 2020 to 31 st March, 2021 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.	20 th June, 2020	Nil
8. Appointment of Related Party to place of profit					
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.	3 years	Period of Agreement: 1 st April, 2020 to 31 st 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.	11 th February, 2020	Nil

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: 12th June, 2021

Annexure II

Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo

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, 2021

(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 13 Lakhs units in Financial Year 2020-21 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 3.08 Lakhs units in Financial Year 2020-21 which has been fully utilised during the period under review.

(iii) Capital investment on energy conservation equipment

Capital expenditure related to the energy conservation equipment projects have been approved in financial year 2020-21, the execution of which shall be carried out in financial year 2021-22.

(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	2506.07
2. Total foreign exchange earned	2031.08

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: 12th June, 2021



Annexure III

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 2020-21	Ratio of Remuneration to MRE ^A for financial year	
		Excl. KMP	Incl. KMP
Managing Director	17.22	54.32	53.74
Executive Director (Technical)	53.99	21.33	21.11
Company Secretary	15.08	2.76	2.73
Chief Financial Officer	-	-	-
Median remuneration of employee		% change in median remuneration in	
Excl. Remuneration of KMPs		4.55	
Incl. Remuneration of KMPs		4.68	

^AThe remuneration provided herein is CTC to the Company.

*reframe as:

Mr. Suryakant Dave was appointed as the CFO w.e.f. 27th July, 2019 and he resigned w.e.f. 10th May, 2020. Further, Mr. K V Unnikrishnan was appointed as the CFO w.e.f. 20th June, 2020 and hence, the remuneration paid to the CFO has not been considered for calculation of the total percentage increase in the remuneration between FY 2019-20 and FY 2020-21 and accordingly also for computing median remuneration.

^AMedian Remuneration of Employee

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 2020-21, 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 31.03.2021	Excl. KMPs	Incl. KMPs
	539	543

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 2020-21
Average Salary of the employees (excl KMP)	10.94%
Average Salary of KMPs*	1304.41%
Justification/ information of exceptional circumstances for increase in managerial remuneration	The increase in the remuneration of KMPs is mainly due to the variable net profit based commission payment to the Managing Director in line with his terms of appointment.

- Mr. Suryakant Dave was appointed as the CFO w.e.f. 27th July, 2019 and he resigned w.e.f. 10th May, 2020. Further, Mr. K V Unnikrishnan was appointed as the CFO w.e.f. 20th June, 2020 and hence, the remuneration paid to the CFO has not been considered for calculation of average percentile increase in the remuneration of the employees and the KMPs in FY 2019-20 and FY 2020-21.

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: 12th June, 2021

Annexure IV

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	Remuneration (Rs. in Lakhs)	Nature of Employment Contractual or otherwise	Qualifications & Experience	Date of Commencement of employment	Age (Yrs.)	Last employment before joining the Company	% of shares held in the Company	Relationship with any Director or manager of the Company
1	Gopal Swaroop Tiwari	VP Operations	41.58		BE Mechanical	2 nd July 2018	51	GEI Industries Ltd.	0	
2	Bharat J Dhanak	VP Marketing	39.34		B.com, PG (IT)	5 th October, 2011	42	Standard Radiator Pvt Ltd	0	
3	Nilesh Kantilal Parekh	GM - HR	37.00		MSW, B.Sc	21 st January 2019	50	Coromandel International Ltd	0	
4	Vinod Dhakre	Sr. GM - Sales & Marketing	37.00		BE Mechanical	16 th January 2020	49	IDEA Paradise Technology Pvt. Ltd.	0	
5	Harshal Ramanlal Barot	Executive Assistant to Director	36.72		BE Mechanical	18 th January 2018	40	GE Power India Ltd	0	None
6	Pritesh Subhashbhai Patel	DGM - Production	32.70		M. Sc	5 th February 2016	46	Chirag Organics Pvt. Ltd.	0	
7	Dinesh Revabhai Patel	DGM - Operations	32.00		Diploma Mechanical	1 st April 2020	48	ISGEC Hitachi Zosen Limited	0	
8	Hitesh Jayantilal Mistry	DGM - Export Marketing	28.12		B. Tech, MBA	7 th September 2015	47	Hind Offshore Pvt. Ltd.	0	
9	Lingam Venkat Subbarao	Sr. GM - Operations	25.93		BE Mechanical	8 th July 2017	54	Praj Industries Ltd.	0	
10	Darshan kumar Kantibhai Patel	AGM - Projects	25.50		Diploma Electrical Engineering	1 st February 2016	55	Heerasons Chemicals Pvt. Ltd.	0	



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.hleglascoat.com



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 Swiss Glascoat Equipments 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.

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 the 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.hleglascoat.com



Annexure V

Business Responsibility Report

Forming part of the Board Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L26100GJ1991PLC016173
2. Name of the Company	HLE Glascoat Limited ("HGL") (Formerly Swiss Glascoat Equipments Limited)
3. Registered address	H-106, GIDC Estate, V. U. Nagar - 388121, Dist. Anand, Gujarat
4. Website	www.hleglascoat.com
5. E-mail id	share@glascoat.com
6. Telephone	(02692) 236842 to 236845
7. Financial Year reported	2020-2021
8. Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Manufacture of other Special Purpose Machinery NIC Code of the product/ service- 28299 2. Manufacture of organic and inorganic chemical compounds n.e.c. Manufacture of organic and inorganic chemical compounds NIC Code of the product/ service- 20119
List three key products/services that the Company manufactures/ provides (as in balance sheet) (top three by revenue)	1. Glass-lined Equipment 2. Filtration and Drying Equipment 3. Chemicals
9. Total number of locations where business activity is undertaken by the Company:	
i. Number of international locations (Provide details of major 5)	21 <u>Details of Major 5 international locations:</u> Apart from the Indian domestic market, Company has business in USA, Europe, Russia, Canada, Israel
ii. Number of national locations	11
10. Markets served by the Company - Local/State/ National/International/	HGL provides its products to all clientele, Local/ State/ National/ International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (Rs, in Lakhs)	1457.56 (includes paid up equity & preference share capital)
2. Total Turnover (Rs, in Lakhs)	42071.11
3. Total profit after taxes (Rs, in Lakhs)	5234.73
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company has spent Rs. 59.35 Lakhs which is 2% of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years.
5. List of activities in which expenditure in 4 above has been incurred:-	Please refer Annexure VIII of the Board's Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	The Company does not have any subsidiary Company/(ies) The Company is a partner in M/s H L Equipments, a partnership firm where it holds 99% partnership interest
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Not Applicable
3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entities do not directly participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

a. Details of the Director / Directors responsible for the implementation of the BR policy / policies:	i. DIN Number: 06858672 ii. Name: Mr. Aalap Patel iii. Designation: Executive Director (Technical)
b. Details of the BR head	i. DIN Number (if applicable) : N. A, ii. Name: Mr. Harshal Barot iii. Designation: Head of People's Success iv. Telephone number: (02692) 236842 v. Email id: harshal@glascoat.com

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

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

S. No.	Description	Reference of HGL Policies
Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct for Professional Ethics for Senior Managerial Personnel, Appointment letters of employees containing the provisions of Code of Conduct, Whistle Blower Policy & Vigil Mechanism.
Principle 2 (P2)	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle	Quality Policy
Principle 3 (P3)	Businesses should promote the wellbeing of all employees	HR Policies viz Work-life Balance Policy, Domestic Travel Policy and Relocation Policy
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	No such policy for this principle
Principle 5 (P5)	Businesses should respect and promote human rights	Code of Conduct for Professional Ethics for Senior Managerial Personnel, Appointment letters of employees containing the provisions of Code of Conduct, HR policies viz Maternity policy and Prevention of Sexual Harassment policy, Grievance Redressal Policy.
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment	Environment Health and Safety (EHS) policy
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	The Company is not engaged in influencing public and regulatory policy.



S. No.	Description	Reference of HGL Policies
Principle 8 (P8)	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Quality Policy

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
1.	Do you have a policy/policies for...	Y	Y	Y	N	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	Y	Y	N	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The Board approved policies and codes of conduct cover the NVGs as well as all applicable national regulations are captured in the policies articulated by the Company. The Quality Policy also conforms to the International Standard ISO 9001:2015								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Policies mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board/ Committee, while the other relevant policies are approved by the Executive Director.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Executive Director and Management Representative oversee the implementation of the policies.								
6.	Indicate the link for the policy to be viewed online?	All the Company policies, extract or full text as mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available on the Company's website www.hleglascoat.com Further, the Company has the Audit Committee, the Internal Complaints Committee, the Stakeholders Relationship Committee, the Nomination and Remuneration Committee, the CSR Committee in addition to adequate internal control systems to oversee the implementation of policies mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	-	Y	Y	-	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	-	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Any grievance relating to any policy can be discussed at the management review meeting or meetings held for the respective policies. Further, the Whistle Blower officers have been appointed so that the employees/ stakeholders of the Company can raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles				✓			✓		
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year				✓					
6.	Any other reason (please specify)- see note below the table							✓		

Note:

*The Company does not engage in influencing any regulatory policy

3. Governance related to BR

i.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company.	The BR initiatives are driven by the business teams along with the support functions. The CSR Committee, Audit Committee and Internal Complaints Committee review the BR performance based on the policies implemented at 3-6 months intervals. The Board of Directors also assesses the BR performance of the Company on an annual basis.
	Within 3 months, 3-6 months, annually, more than 1 year	
ii.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	This is the first Business Responsibility Report being published in the Annual Report for the financial year 2020-21. The same shall be published on an annual basis. A copy of the report will also be made available at www.hleglascoat.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Your Company's commitment of the compliance to high governance standards is backed by an independent and fully informed board, comprehensive processes, policies and communication. The Company adheres to high levels of ethical business practices as articulated by its Code of Conduct for Professional Ethics Policy for Senior Managerial Personnel and Appointment letters of employees containing the provisions of Code of Conduct to achieve its performance with integrity. Also, the Senior Managerial Personnel of the Company are expected to adhere to the Code and report its violation to the Compliance Officer, as and when observed. Also, the employees are expected to affirm the Code on annual basis. The Code applies to any irregularity, involving employees as well as vendors, contractors, customers and/ or any other entities having a business relationship with the Company. The Company has a well-defined Whistle Blower Policy and Vigil Mechanism in place to provide the employees of the Company a mechanism to raise concern with respect to any unlawful or unethical activity or violation of law or the Code including the policies formulated thereunder.
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Compliance with the statutory requirements has always been one of the focus areas. There is a robust system to protect the confidentiality of unpublished price sensitive information. The system works through processes that not only ensures compliance with the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, by making timely disclosures to stock exchanges, declarations by designated persons, etc. but also moves ahead with the help of the Company's Code of Practices and Procedures for Fair Disclosure and Conduct. The Code is applicable to those employees of the Company, who may be deemed to have access to unpublished price sensitive information and the persons outside possessing unpublished price sensitive information on legitimate basis.

The Code of Conduct for Professional Ethics, the Whistle Blower Policy, the Code of Conduct for Prevention of Insider Trading and the Code of Fair Disclosures and Conduct are available at <https://hleglascoat.com/corporate-governance/>

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There are different systems in place to receive and resolve complaints from various stakeholders. There were no stakeholder complaints during the financial Year 2020-21 related to Ethics, Transparency and Accountability. In case of investors, complaints received through SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year, only one complaint was received from the shareholders, which has been satisfactorily resolved.
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Principle 2: Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. The design of the following products of the Company itself helps to reduce energy loss:	<ul style="list-style-type: none"> i. Glass-lined Reactor ii. Rotary Vacuum Paddle Dryer iii. Agitated Nutsche Filter
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	<ul style="list-style-type: none"> i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. <ul style="list-style-type: none"> • The Company prefers increased usage of gas-fired furnaces in the manufacture of its glass lined products instead of electrical furnaces. • Almost 50% of the water used in hydro-testing of the performance of the Company's products is re-used.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?	No
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company employs local service providers for housekeeping, security, gardening, maintenance and transport. Also, contracts for job-working are preferably provided to locals and MSMEs.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Treated waste water generated in its manufacturing facilities is utilised for gardening purposes as per prescribed norms of the Gujarat Pollution Control Board. Also, almost 50% of water used in hydro-testing of the performance of the Company's products is re-used.

Principle 3: Businesses should promote the wellbeing of all employees

1. Total number of permanent employees as on 31 st March, 2021.	522
2. Total number of employees hired on temporary/ contractual/ casual basis as on 31 st March, 2021.	600
3. Total Number of permanent women employees as on 31 st March, 2021.	21
4. Total Number of permanent employees with disabilities as on 31 st March, 2021.	03
5. Do you have an employee association that is recognized by management?	No
6. What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on 31 st March, 2021.	During the year, there were no cases of child labour/ forced labour/ involuntary labour. Also, there were no complaints regarding discriminatory employment and sexual harassment during the year under review.
8. Percentage of our under mentioned employees were given safety & skill up-gradation training in the last year?	Being one of the leading manufacturers of process equipment, it's imperative for the employees of the Company to keep abreast with the latest developments within their domain as well as stay updated on industry trends and technologies, quality and regulatory updates and other applicable developments that impact its business. While the Company focuses on in-house soft-skill and behavioural learning interventions through contemporary learning methodologies such as team building, it also participates in certification or external technical upgradation, seminars, conferences and symposiums to build capabilities in a holistic way.
<ul style="list-style-type: none"> • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities 	

Category	Skill-Upgradation Trainings
• Permanent Employees	53
• Permanent Women Employees	00
• Casual/Temporary/Contractual Employees	300
• Employees with Disabilities	00
Category	Safety Trainings
• Permanent Employees	250
• Permanent Women Employees	11
• Casual/Temporary/Contractual Employees	600
• Employees with Disabilities	00

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

1. Has the company mapped its internal and external stakeholders? Yes/No	No.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Not Applicable
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company provides preference for engaging disadvantaged, vulnerable and marginalized stakeholders though it has not taken any specific initiatives for the same.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Policies of the Company with regard to the human rights covers the Company and its employees.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	There were no stakeholder complaints received during the Financial Year 2020-21.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	You Company supports environmental protection through its EHS policy. The policy is applicable to the Company, and its employees.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	The Company strives for environmental sustainability and complies with all applicable laws and regulations, in all its manufacturing operations. It also seeks to prevent the wasteful use of natural resources and is committed to improving the environment. The Company is particular on decreasing emission of greenhouse gas, optimize consumption of water and energy and the overall management of waste and hazardous materials. The Company has procured star rated electric and electronic equipment, prefers more usage of gas-fired furnaces for manufacturing its products and has planted several trees inside and outside its premises.
3. Does the company identify and assess potential environmental risks? Y/N	Sustainable development is at the core of the Company's operations. The Company follows sound environmental management practices across all its manufacturing units to assess and address environmental risks.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	As a measure to encourage Green Energy/ Clean Technology, the Company has installed 3 Windmills at following locations: <ul style="list-style-type: none"> 1 Windmill with an installed capacity of 1.25 MW at Baradiya in Jamnagar, Gujarat 2 Windmills with an installed capacity of 250 KW each at Sujapur in Ratlam, Madhya Pradesh
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Yes, the emissions and waste generated by the Company are within the limits prescribed by the State Pollution Control Board.
7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

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

1. Is our company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Not Applicable Refer Note above in 2a of Section D
2. Has the Company advocated/ lobbied through the above associations for the advancement or improvement of public good?	Not Applicable Refer Note above in 2a of Section D
If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)	

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company executes its CSR initiatives through various programs/ initiatives, the details of which are given in Annexure- VIII - CSR Report forming part of the Board's Report. The said details are also available in CSR section of the Company's website: www.hleglascoat.com
2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?	The programmes are undertaken through a company incorporated under Section 8 of the Companies Act, 2013
3. Have you done any impact assessment of your initiative?	None
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	During the financial year 2020-21, your Company contributed Rs. 59.35 Lakhs towards its CSR initiatives. For more details, please refer Annexure VIII of the Board's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	No. However, at HGL, the CSR projects and programs are undertaken after identifying the communities that require development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on 31st March, 2021	< 1 (one) percent The action against each complaint has been progressing and shall be completed as per the commitments given to respective Customers.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)	No
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years.
4. Any consumer survey/ consumer satisfaction trends carried out by our Company?	Customer satisfaction survey is carried out once every year. The survey provides customer satisfaction information on various parameters and an overall index, whilst highlighting scope for further improvement.



Annexure VI

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 and operating 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 ('Listing Regulations') is given as under:

BOARD OF DIRECTORS AND BOARD MEETINGS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and

long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Chairperson, Managing Director and Whole-time Director of the Company. The Management of the Company is headed by the Chairperson / Managing Director and Chief Financial Officer of the Company and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

Composition and Board Diversity

The Board of Directors ('the Board') comprises of appropriate mix of Executive and Non-Executive Directors as required under the Companies Act, 2013 ('the Act') and the Listing Regulations to maintain the independence of the Board and also to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities.

As on 31st March, 2021, the Board consists of Eight Directors comprising of six Non-Executive Directors, of which four Directors are Independent Directors including one Woman Independent Director. The Executive Directors include the Chairperson & Managing Director and the Whole-time Director. In terms of Regulation 17 of the Listing Regulations, the non-executive independent directors constitute 50% of the Board as at 31st March, 2021. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its related responsibilities and provide effective leadership to the business.

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 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 Limited Companies, listed or not, 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	-	-	2 (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)	-
Ms. Vijayanti Punjabi	NED (I)**	None	1	-	Independent Director	-	-
Mr. Yatish Parekh	NED (I) **	None	1	-	Independent Director	1 (C)	-
Mr. Sandeep Randery	NED (I)**	None	1	-	Independent Director	1 (C) 1 (M)	-
Mr. Jayesh Shah	NED (I)**	None	1	-	Independent Director	2 (M)	-

**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 and Stakeholders Relationship, Committees of the Company.

*includes Audit and Stakeholders Relationship Committees of other public companies.

**Independent Directors Confirmation by the Board**

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Act and Regulation 16 (1) (b) and Regulation 25 (8) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on 31st March, 2021. Further in terms of the Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. A Statement by the Managing Director regarding the said affirmation by the Independent Directors is annexed hereto and forms part of this Report.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Companies Act, 2013 and the Committee positions held by them in other companies as stipulated under Regulation 26 of Listing Regulations. None of the Directors of the Company hold Directorships in more than 20 companies, including 10 public companies. As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Executive Directors of the Company does not serve as an Independent Director in any listed entity.

None of them is a member of more than ten committees or Chairperson of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations. The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and the Listing Regulations as amended from time to time.

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 19th September, 2020:

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other business. In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice of Board / Committee Meetings is given well in advance to all the Directors. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairperson and Managing Director, Executive Director and Chief Financial Officer the Company. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board and

Committee Meetings cover items set out as per the guidelines in the Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video / tele-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Where it is not feasible to attach any document to the agenda, being an Unpublished Price Sensitive Information, the same is placed before the meeting with the general consent of the Directors obtained at the beginning of the financial year. In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with due permission. The Board takes decision based on detailed discussions and deliberations. The members of the Board have complete independence to raise any issue/matter for discussion. The Directors take active part at the Board and Committee Meetings by providing valuable guidance and expert advice to the Board and the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues and add value in the decision making process of the Board of Directors.

The Board of Directors met 5 (five) 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:

20th June, 2020, 17th August, 2020, 3rd November, 2020, 10th December, 2020 and 12th February, 2021.

The maximum interval between any two consecutive Meetings was less than 120 days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

The details of attendance of each Director at the Board Meetings held during the year and the last Annual General Meeting (AGM) are given below:

Names of Directors	No. of Board Meetings attended	(Rs. in Lakhs)	
		Sitting Fees paid	Whether Attended Last AGM
Mr. Himanshu Patel	5	-	Yes
Mr. Aalap Patel	5	-	Yes
Mr. Nilesh Patel	4	0.60	Yes
Mr. Harsh Patel	3	0.45	Yes
Ms. Vijayanti Punjabi	5	0.75	Yes
Mr. Yatish Parekh	5	0.75	Yes
Mr. Sandeep Randery	5	0.75	Yes
Mr. Jayesh Shah	4	0.60	Yes

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. The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

The draft Minutes of the proceedings of the Meetings of the Board/Committee(s) are circulated to all the Members of the Board or the Committee for their perusal within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the Minutes in consultation with the Chairperson. The Minutes are approved by the Members of the Board/Committee(s) prior to the next Meeting. The signed Minutes are circulated to all the Members of the Board or the Committee within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors.

Equity Shareholding of the Non-Executive Directors in the Company as on 31st March, 2021 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	36,39,127	Ms. Vijayanti Punjabi	Nil
Mr. Harsh Patel	18,59,580	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.hleglascoat.com in Familiarisation Programmes for Independent Directors section by accessing the web-link <https://hleglascoat.com/corporate-governance/>.

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 core 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.

Separate Meeting of Independent Directors

Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, mandates the Independent Directors of the Company to hold at least one meeting in a financial

year without the attendance of Non-Independent Directors and members of the management. The Independent Directors Meeting was held on 12th February, 2021 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 timeliness 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 12th February, 2021:

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

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory and non-statutory Committees:

AUDIT COMMITTEE

Composition

The Audit Committee of the Company comprises of three Independent Directors and one Executive Director. 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 composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Act read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of the Listing Regulations. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time. All members of the Audit Committee are financially literate and bring in expertise in the

fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

Terms of Reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 21) Reviewing the utilisation of loans and / or advances from / investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- 22) Review the functioning of vigil mechanism/ whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimisation.
- 23) Audit Committee also monitors the Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
- 24) Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.
- 25) The Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone and Consolidated Financial Statements are made available on the website www.hleglascoat.com by accessing the web-link <https://hleglascoat.com/financials/>

Meeting and Attendance

The Audit Committee meets at least once a quarter. The Audit Committee met 4 (four) times during the financial year in

accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the Listing Regulations. The maximum gap between two Meetings was not more than 120 days. The Committee met on 20th June, 2020, 17th August, 2020, 3rd November, 2020, and 12th February, 2021. The requisite quorum was present at all the Meetings. The Chairperson of the Audit Committee was present at the 29th Annual General Meeting of the Company held on 19th September, 2020 to answer the Shareholder queries.

The meetings of Audit Committee are also attended by the Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and executives from accounts and finance department as special invitees, as and when invited by the Audit Committee. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

The Table below provides the attendance of the Audit Committee members:

Name of Member	Category	Designation	Attendance
Mr. Yatish Parekh	Independent Director	Chairperson	4
Mr. Aalap Patel	Executive Director (Technical)	Member	4
Mr. Sandeep Randery	Independent Director	Member	4
Mr. Jayesh Shah	Independent Director	Member	4

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee (SRC) has been constituted. The Stakeholders Relationship Committee comprises of two Independent Directors, one Non-Executive Director and one Executive Director.

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.

Terms of Reference

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/

transmission of shares, issue of new/duplicate certificates, general meetings, non-receipt of annual report, non-receipt of declared dividends, non-receipt of balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders, etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
- To consider and approve demat/ remat of shares/split/ consolidation/sub-division of share/debenture certificates;
- To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates) and;
- Carrying out any other function as prescribed under the Listing Regulations, the Act and other applicable law as amended from time to time.

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

Meetings and Attendance

During the financial year, the Stakeholders Relationship Committee has met 2 (Two) times on 20th June, 2020 and 3rd November, 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	2
Mr. Jayesh Shah	Independent Director	Member	2
Mr. Aalap Patel	Executive Director (Technical)	Member	2
Mr. Harsh Patel	Non-Executive Director	Member	-

Name and Designation of the Compliance Officer

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. Dhvani 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, 2021 had 15,984 members. The status of the complaints received by the Company during the year under review is as under:

As on 1st April, 2020: Nil

Received during the year: 1

Resolved during the year: 1

Outstanding as on 31st March, 2021: Nil

During financial year 2020-21, the Company has satisfactorily responded and resolved the various requests of the shareholders. No investor grievances remained unattended /pending for more than fifteen days as on 31st March, 2021.

The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

NOMINATION AND REMUNERATION COMMITTEE Composition

The Nomination and Remuneration Committee comprises of three Independent Directors. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Act and read with Clause 19 of Part D of Schedule II of the Listing Regulations. Apart from the above, the Committee also carries out such functions / responsibilities entrusted on it by the Board of Directors from time to time.

Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of directors, Key Managerial Personnel and other Employees.
- Formulation of the criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board Diversity.

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Consider extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of Independent Directors.
- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board.
- Crafting a fair and reasonable and transparent remuneration policy for the Directors, Key Managerial Personnel and Senior Management Executives of the Company so as to serve the purpose of the objective of the existence of the Remuneration & Nomination Committee.
- Assessment of experience, expertise and skills required for appointment of Directors, Key Managerial Personnel and Senior Management Executives the Company.
- Maintaining the composition of the Board of Directors in accordance with the applicable legal provisions.
- Identifying the potential candidates and hence assisting the Board in selection of Directors, Key Managerial Personnel and Senior Management Executives for the Company.
- Reviewing the performance of the Directors, Key Managerial Personnel and Senior Management Executives
- Recommending the Board for appointment, renewal and removal of the Directors, Key Managerial Personnel and Senior Management Executives
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme.
- To assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory Notification, amendment or modified as may be applicable.

Meeting and Attendance

During the financial year, the Nomination and Remuneration Committee has met 2 (two) times on 20th June, 2020, and 12th February, 2021. The requisite quorum was present at the Meeting. Mr. Vijayanti Punjabi, the Chairperson of the Committee was present at the 29th AGM of the Company held on September 19, 2020 to answer the Shareholder queries.

The table below provides the attendance of the Remuneration and Nomination Committee members:

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

Performance evaluation criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations, performance evaluation of Directors, Committees and Board as a whole was carried out.

A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Individual directors including the Chairperson of the Board were also evaluated on parameters such as level of engagement and contribution, independence of judgement.

The performance evaluation of the Independent Directors was carried out by the entire Board basis participation of Independent directors in the meeting, raising of concerns to the Board, safeguarding the confidential information, rendering of independent decisions, unbiased opinions and resolution of issues in the meetings, timely inputs on the minutes, and initiatives in terms of planning and new ideas. The Directors expressed their satisfaction with the evaluation process.

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.

The details of the manner of performance evaluation carried out in financial year 2020-21 and outcome thereof have been provided in the Board Report.

Nomination and Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Board on the recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Directors, KMP and senior management employees. The policy describes various aspects and guiding factors while determining the remuneration to Directors, KMP and senior managerial personnel of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and also create competitive advantage.

The Policy on remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company is in consonance with the existing industry practice.

i) Remuneration to Non-Executive Directors (including the Independent Directors)

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

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.hleglascoat.com in Policies section by accessing web-link <https://hleglascoat.com/corporate-governance/>, which includes the criteria for making payments to the Non-Executive Directors.

Name of Director	Remuneration	(Rs. in Lakhs)	
		Sitting Fees	Total
Mr. Nilesh Patel	-	0.60	0.60
Mr. Harsh Patel	-	0.45	0.45
Ms. Vijayanti Punjabi	-	0.75	0.75
Mr. Yatish Parekh	-	0.75	0.75
Mr. Sandeep Randery	-	0.75	0.75
Mr. Jayesh Shah	-	0.60	0.60

ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Whole time Director and Managing Director is governed by the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company.

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 2020-21 are given below:

(Rs. in Lakhs)

Name of Director	Gross Salary Including Allowances	Bonus	Commission	TOTAL
Mr. Himanshu Patel	83.99	0	73.04	157.03
Mr. Aalap Patel	61.59	0	-	61.59
TOTAL	145.58	0	73.04	218.62

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 Composition

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

Terms of Reference

The Role of the CSR Committee is as under:

- Formulate, monitor and recommend to the Board, the CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.
- Recommend to the Board, modifications to the CSR Policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- 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;
- Ensure the CSR spend is made in terms of Section 135(5) of the Companies Act, 2013.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing regulations and the Companies Act, 2013

Meeting and Attendance

During the financial year, the CSR Committee has met 3 (three) times during the year on 20th June, 2020, 3rd November, 2020 and 12th February, 2021 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.hleglascoat.com in Corporate Social Responsibility section by accessing the web-link <https://hleglascoat.com/csr/>.

GOVERNANCE CODES

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 2020-21. 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 Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year, if any. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Insider Trading Code

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 as amended from time to time ("the PIT Regulations"). The Code is applicable to Promoters,

Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive Information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations. Maintenance of a structured digital database by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the PIT Regulations, is under process.

All the aforesaid Codes adopted by the Company are available on the Company's website: www.hleglascoat.com in Code of Conduct section by accessing the web-link: <https://hleglascoat.com/corporate-governance/>

GENERAL BODY MEETINGS

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 Resolutions Passed which were approved by the Members with requisite majority
2020-21-EGM	01 st December, 2020	03:00 P.M.	Virtual Meeting held through Audio-Visual means- Deemed Registered Office at	a. Issuance of Equity Shares and Warrants Convertible in to Equity Shares on Preferential Basis. b. Increase in the limits applicable for making investments/ extending loans and giving guarantees or providing securities in connection with the loans to persons/bodies corporate.
2019-20-AGM	19 th September, 2020	10.30 A.M.	H-106, GIDC Estate, Vitthal Udyog Nagar - 388 121	a. Re-appointment of Mr. Himanshu Patel as the Managing Director of the Company. b. Re-appointment of Mr. Aalap Patel as the Whole-time Director[(designated as Executive Director (Technical))] of the Company
2019-20-EGM	23 rd August, 2019	02.00 P.M.	Registered Office at H-106, GIDC Estate, Vitthal Udyog Nagar - 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	27 th 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	03 rd August, 2018	02.30 P.M.		a. To provide Loan in accordance with Sections 185 and 186 of the Companies Act, 2013.

**(b) Postal Ballot**

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members.

During the year, the Company did not pass any special resolution through postal ballot.

DISCLOSURES**A. Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

B. 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 transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis with an intention to further the Company's interests and are in compliance with the requirements of the provisions of Section 188 of the Act. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Related Party Transaction, the extract of the policy on dealing with the related party transactions is available on the Company's website: www.hleglascoat.com in Policies section by accessing the web-link : <https://hleglascoat.com/corporate-governance/>

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.

In addition pursuant to Regulation 23(9) of the Listing Regulations, the Company has also submitted within 30 days

from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results and also published it on the website of the Company.

C. Details of Non-Compliance, Penalties, Strictures Imposed by the Stock Exchange(s) or SEBI or any Statutory Authority on any Matter Related to Capital Markets since Listing.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

D. 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 establishment of the said vigil mechanism is available on the Company's website: . 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 2020-21, no employee has been denied access to the Compliance Officer/ the Chairperson of the Audit Committee.

E. 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.

F. Policy for determining material subsidiary

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

G. Web link where policy on dealing with related party transactions is disclosed:

The Policy of Related party transactions is available in Policies section on www.hleglascoat.com by accessing the web-link <https://hleglascoat.com/corporate-governance/>

H. Commodity trading/ hedging activities

The Company does not deal in future and options related to commodities and therefore the disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given. The Company is exposed to exchange fluctuation risk for its sales to overseas customers in various foreign currencies. However, Company has a natural hedging from Export proceeds it receives with regard to foreign exchange risk.

There are no materially uncovered exchange rate risks in the context of the Company's exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2021 are disclosed in Notes to the standalone financial statements.

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

The Company has issued and allotted in financial year 2020-21, details of which have been provided in the Board Report. Further, the proceeds from the Preferential Issue of Convertible Warrants and Equity Shares is fully utilised for the purpose as stated in the Offer Letter.

J. Certificate from Practicing Company Secretary

Mr. D. G. Bhimani, practicing Company secretary, has provided a Certificate, in accordance with the provisions of Schedule V to the Listing Regulations 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/ MCA or any such statutory authority, which is annexed hereto and forms part of this Report.

K. The Board has accepted all the recommendations, if any, of any of its Committees, which is mandatorily required, in the financial year 2020-21.

L. 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.

M. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and accorded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure prevention, prohibition, and redressal against sexual harassment.

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

N. 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.

O. Shareholders

Mr. Harsh Patel (DIN 00141863), Non-Executive Director, is retiring by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

The term of Ms. Vijayanti Punjabi as an Independent Director is due to expire on 30th December, 2021. Further, Ms. Vijayanti Punjabi has cleared her proficiency exam in accordance with the provisions of the Companies ((Appointment and Qualifications of Directors) Rules, 2014.

The details of the Directors proposed to be appointed/ re-appointed in the 30th Annual General Meeting of the Company is annexed to the Notice convening Annual General Meeting.

P. 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 Listing Regulations.**Q. Disclosure on Compliance with Corporate Governance requirement**

The Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

R. Discretionary Requirements under the Listing Regulations 2015

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Corporate Governance Report of the Company for the year 2020-21 or as on March 31, 2021 is in compliance with the applicable requirements of SEBI as per Listing Regulations.



The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

- The Board:** The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairperson of the Company is an Executive Director.
- Shareholder Rights:** The Company has not adopted the practice of sending out half - yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the Stock Exchanges and updated on the website of the Company.
- Modified Opinion(s) in the Board:** There are no modified opinions in audit report.
- Reporting of Internal Auditor:** In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

COMPLIANCE CERTIFICATE BY PRACTICING COMPANY SECRETARY

Certificate from M/s. D. G. Bhimani & Associates, a firm of Company Secretaries in Practice, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

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

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders, which promotes transparency, accountability and confidence in the stakeholders and strengthens robust shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

* **Website:** Your Company's Website www.hleglascoat.com in Investors/ Financials provides comprehensive information on its financial performance, operational performance, announcements and periodical compliances of the Listing Regulations.

* **Financial Results:** The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations 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, where on 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

a. Annual General Meeting for FY 2020-21

Compliance Officer	: Ms. Dhvani Shah
Date, Time and Venue of the 30 th Annual General Meeting	: Tuesday, 7 th September, 2021 at 11:00 a.m. through Audio-Visual means
Financial Year	: 1 st April, 2020 to 31 st March, 2021
Book Closure Dates	: Wednesday, 1 st September, 2021 to Friday, 3 rd September, 2021 (both days inclusive).
Last Date of Receipt of Proxy Forms	: Not Applicable
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

b. Listing on Stock Exchanges

The Company's Equity Shares are listed and traded on the following Stock Exchanges:

Name	Address	Stock Code
BSE Limited (BSE)	1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	522215
National Stock Exchange of India Limited (NSEL) (with effect from 18 th February, 2021)	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	HLEGLAS

Listing Fees

Listing fees for both the Stock Exchange(s) for the year 2020-21 has been paid.

c. Dividend

The dividend, if declared at the Annual General Meeting, shall be paid on or after 23rd September, 2021.

d. Market Price Data

The details of monthly high/low market price of the Equity shares of the Company at BSE Ltd (BSE) and at the National Stock Exchange of India Ltd (NSEL) for the year under review is provided here under:

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-20	683.10	488.20	194.90	Oct-20	1571.80	1287.00	284.80
May-20	787.20	696.75	90.45	Nov-20	1657.00	1343.00	314.00
Jun-20	1119.00	705.05	413.95	Dec-20	1596.00	1310.00	286.00
Jul-20	973.00	801.00	172.00	Jan-21	1530.00	1329.25	200.75
Aug-20	1574.45	910.00	664.45	Feb-21	2055.00	1317.00	738.00
Sep-20	1890.00	1302.00	588.00	Mar-21	2951.20	2000.00	951.20

*(Source: www.bseindia.com)

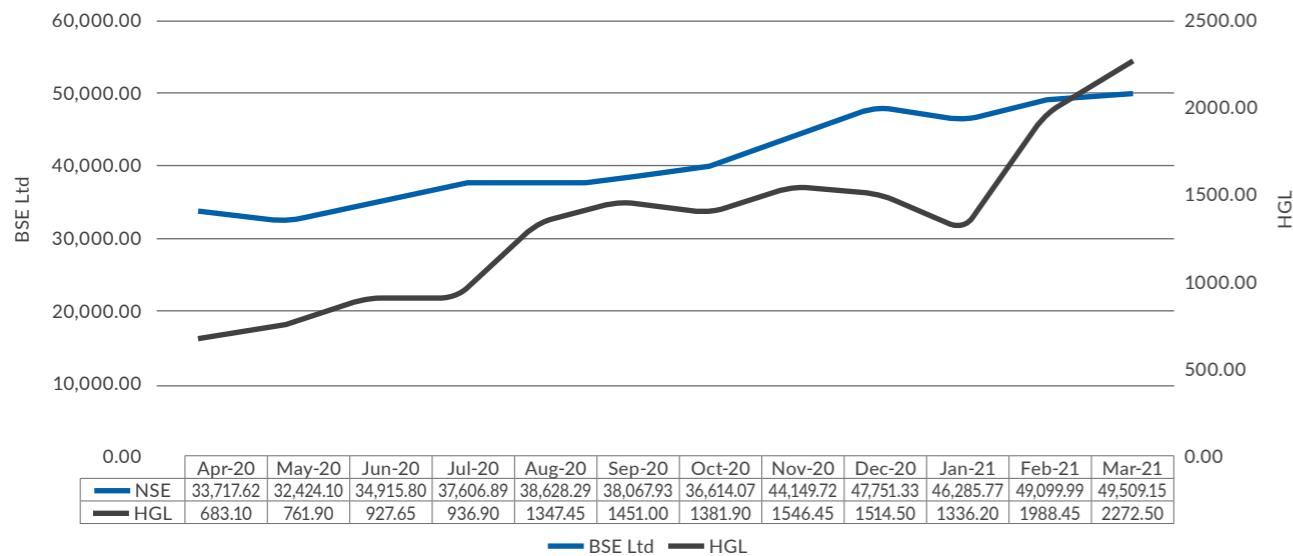
Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-20	-	-	-	Oct-20	-	-	-
May-20	-	-	-	Nov-20	-	-	-
Jun-20	-	-	-	Dec-20	-	-	-
Jul-20	-	-	-	Jan-21	-	-	-
Aug-20	-	-	-	Feb-21	2120.00	1755.00	365.00
Sep-20	-	-	-	Mar-21	2952.20	1981.00	971.20

*(Source: www.nseindia.com)

Note: The equity shares of the Company got listed on NSEL with effect from 18th February, 2021.

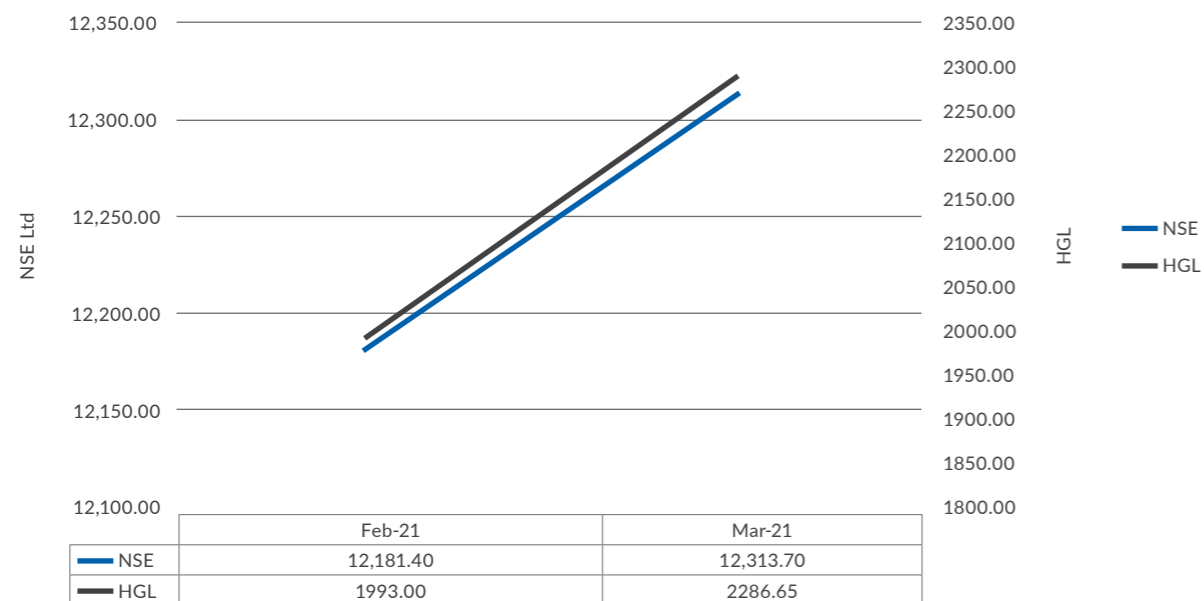
f) Performance of the Company's Equity Share Price in comparison to BSE and NSE Indices

- Company's closing share price movement during the financial year 2020-21 on BSE vis-à-vis S&P BSE Sensex



*(Source: www.bseindia.com)

- Company's closing share price movement during the financial year 2020-21 on NSE vis-à-vis Nifty500



*(Source: www.nseindia.com)

Note: The equity shares of the Company got listed on NSEL with effect from 18th February, 2021.

g) Share Transfer System in accordance with the proviso to Regulation 40(1) of the Listing Regulations.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The shares held in dematerialized form are transferable through the depository system.

The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

h) 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, 2021, 1,22,78,370 shares (93.90%) 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.

i) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

j) Distribution of shareholding of shares of the Company as on March 31, 2021 is as follows:
(A) Distribution of Shares as per Category as on 31st March, 2021.

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	% of (A+B)
(A)	Shareholding of Promoter and Promoter Group	7	9600744	73.43
(B)	Public Shareholding Institutions	-	-	-
(C)	Public Shareholding- Non- Institutions	15977	3474736	26.57
GRAND TOTAL (A+B+C)		15984	13075480	100.00

(B) Distribution of Shares by size of holding as on 31st March, 2021

Category of Shares	No. of shareholders	% Holders	No. of Shares	% Shares
1 to 500	15760	96.97%	728152	5.57%
501 to 1000	262	1.61%	209438	1.60%
1001 to 2000	106	0.65%	161267	1.23%
2001 to 3000	37	0.23%	96196	0.74%
3001 to 4000	22	0.14%	78976	0.60%
4001 to 5000	11	0.07%	50453	0.39%
5001 to 10000	24	0.15%	165488	1.27%
10001 and above	30	0.18%	11585510	88.60%
TOTAL	16252	100.00%	13075480	100.00%

Note: As per shareholding pattern filed with the BSE Limited, number of shareholders as on 31st March, 2021 has been clubbed on the basis of PAN of the shareholders of the Company.

The quarterly shareholding patterns filed with the stock exchanges are also available on the website of the Company and on the website of the BSE Limited.

**k) Plant Location and Address for Correspondence**

Plant Location:	Registered Office:
(1) HLE Glascoat Limited H-106, G I D C Estate, Vitthal Udyognagar – 388 121 Dist. Anand, Gujarat	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	
(2) HLE Glascoat Limited A-6, Maroli Udhyanagar At. Post. Maroli Bazaar Navsari – 396436 Gujarat	

**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 2020-21 are as under:

The details of the shares transferred to the said Unclaimed Suspense Account during the financial year 2020-21 are as under:

Particulars	No. of Shareholders	No. of Shares
Outstanding balance in Unclaimed Suspense Account as on 1 st April, 2020	3	800
Request for transfer from Unclaimed Suspense Account received and processed	-	-
Outstanding balance in Unclaimed Suspense Account as on 31 st March, 2021	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.

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: 12th June, 2021

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
(DIN: 00202312)

Date: 12th June, 2021

CERTIFICATION BY THE MD 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, 2021 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/-
Mr. Himanshu Patel
Chairperson and Managing Director
(DIN: 00202312)

Sd/-
Mr. K V Unnikrishnan
Chief Financial Officer

Date: 12th June, 2021

**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 31st March, 2021.

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

Sd/-

Mr. Himanshu Patel

Chairperson and Managing Director
(DIN: 00202312)

Date: 12th June, 2021

**CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF HLE GLASCOAT LIMITED**

To
The members of
HLE Glascoat Ltd.
Vithal Udyog Nagar.

- 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 the conditions of Corporate Governance by the Company, for the year ended on 31 March 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation 46 and paras C D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

- 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

- 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.
- 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

- Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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 2021.
- 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

UDIN : F008064C000450981

CP. No. 6628

Place : Anand
Date : 12th June, 2021

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 Udyog Nagar - 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 Udyog Nagar - 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, 2021 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

UDIN : F008064C000451001

CP. No. 6628

Place : Anand
Date : 12th June, 2021



**SECRETARIAL COMPLIANCE REPORT OF HLE GLASCOAT LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2021**

I have examined:

- 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"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of :

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;-(Not Applicable to the Company during the Review Period).
- Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;-(Not Applicable to the Company during the Review Period).
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;-(Not Applicable to the Company during the Review Period).
- 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).
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- 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 – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

and circulars/ guidelines issued there under;

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

- 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

- 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.

- 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

- 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, 2021 and the documents/information required were provided through electronic Mode.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani

Company Secretary

UDIN : F008064C000450968

CP. No. 6628

Place : Anand

Date : 12th June, 2021



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THR FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration 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 and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit 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, 2021 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, 2021 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)
 - (h) 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 - Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

(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 following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

The Company has allotted 1,44,404 Equity Shares of Rs. 10/- each at a premium of Rs. 1375/- and 3,85,161 Convertible Series A Warrants and 1,92,445 Convertible Series B Warrants of Rs. 10/- each at premium of Rs. 1375/- on preferential basis in compliance of the Companies Act, 2013 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani

Company Secretary

UDIN : F008064C000450946

CP. No. 6628

Place : Anand

Date : 12th June, 2021

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



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 to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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, 2021 and the documents/information required were provided through electronic Mode.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani

Company Secretary

UDIN : F008064C000450946

CP. No. 6628

Place : Anand
Date : 12th June, 2021

Annexure VII

Management Discussion and Analysis

Forming part of the Board Report

ECONOMIC OVERVIEW

Although global economic output is recovering from the collapse triggered by COVID-19, it will remain below pre-pandemic trends for a prolonged period. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long-expected slowdown in potential growth over the next decade. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2020-21 and 4.2% in 2021-22. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The projected growth recovery this year follows a severe collapse in 2019-20 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2019-20 was estimated at -3.5%, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2019-20). The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers and structural characteristics entering the crisis.

The International Monetary Fund (IMF) raised its 2021-22 growth forecast for India to 12.5% from 11.5% estimated earlier in January, even as the country coped with the impact of a devastating second wave of COVID-19 infections. India experienced a stronger than expected December 2020 quarter, when GDP grew by 0.4% and it further grew by 1.6% in March 2021 quarter following a 7.5% contraction in the September 2020 quarter. The near-term prospects for Asia's third-largest economy had turned more favourable, however, the second wave of COVID-19 infections have dampened the economic recovery.

Battered by the coronavirus pandemic, the Indian economy experienced its most severe contraction in more than four decades. However, most professional forecasters have projected double-digit growth for India in the next fiscal, considering mostly a statistical rebound rather than a V-shaped recovery.

The pace and depth of vaccinations hold the key to sustaining the domestic recovery. However, the various logistical constraints

and the sheer scale of implementation could negatively impact the pace of inoculations in the months ahead and the eventual timing of achieving herd immunity.

ECONOMIC OUTLOOK

COVID-19 is seen spreading rapidly around the world, resulting in the re-imposition of lockdown measures and a slowdown in the pace of the recovery. Although global trade in goods has largely rebounded, trade in services remains feeble. While global financial conditions are being supported by monetary policy accommodation, however, the financial systems in many countries are showing signs of underlying stress. Whereas most commodity prices, particularly those of metals, rebounded in the second half of the year as demand firmed, the recovery in oil prices has been more modest. To confront the adverse legacies of the pandemic, it will be critical to foster resilience by safeguarding health and education systems, prioritising investments in digital technologies and green infrastructure, improving governance and enhancing debt transparency.

INDUSTRY STRUCTURE AND DEVELOPMENTS AND OUTLOOK

Your Company is engaged in two main businesses viz. manufacturing of (i) specialised Filtration and Drying equipment and other chemical engineering equipment, and (ii) Glass-lined reactors and equipment. The Company's business operations in manufacturing of chemicals and intermediates is being discontinued. The Company's products in the Engineering business (Filtration and Drying equipment and Glass-lined equipment) are predominantly used by the manufacturers of Active Pharma Ingredient (API) and Chemical (agrochemical, specialty/ fine chemicals and dyes and pigment industries) companies.

Performance of the Engineering Sector

The engineering sector is the largest of the industrial sectors in India and can be broadly categorised into two parts, namely heavy engineering, and light engineering. India's engineering industry accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. It has also emerged as the largest contributor to the country's total merchandise exports. Capacity creation in sectors such as infrastructure, power, mining, oil and gas, refinery, chemicals, steel, and consumer durables are driving demand in the engineering sector. The sector has a comparative



advantage in terms of manufacturing costs, market knowledge, technology and creativity. Rising competition is driving domestic players to focus on improving their capabilities, become more quality conscious and upgrade their technology base in line with global requirements. India has made significant strides towards the development of its engineering sector. The Department of Heavy Industry has also approved four Centers of Excellence in textile machinery, machine tools, welding technology and smart pumps. Engineering exports accounted for over 60% of the total exports in 2019-20 and stood at USD 76.3 billion. However, 2020-21 was a challenging year for the Indian economy, with the manufacturing sector contracting by 4.7%. The construction sector recorded a contraction of 8.6% in 2020-21, but grew at 14.5% in Q4 2020-21, with the construction of highways increasing to 37 km a day during the year from 28 km a day achieved in 2019-20. The impact of these challenges was accentuated with the onset of the pandemic which slowed down the economy. With the changing environment, project sites were also required to adapt to a new set of norms for continuation of work, which, in turn, hampered progress.

Performance of the Pharmaceutical Sector

The pharmaceutical industry, along with the healthcare sector globally, has been impacted in an unseen way due to the outbreak of the COVID-19 pandemic leading to material impact around consumer requirements and preferences accompanied by macroeconomic, structural and microeconomic changes in the end-to-end value chain. In the midst of the pandemic and a changed world, the pharmaceutical industry across the world has responded with agility, from the sequencing of the novel coronavirus in January 2020 to vaccines being administered to the first recipient in the United Kingdom by December 2020, with efficacy levels over 90%, exceeding all expectations of governments and markets across the world. This innovation has been possible owing to extraordinary global efforts: collaboration as never seen before, redeployment of resources and sharing of data on a real time basis. Healthcare is likely to be on top of the strategic agenda across geographies. The pharma industry will continue to be closely monitored by governments in all countries in the times to come.

It is imperative that India reevaluates its current role within the global pharmaceutical industry, explore possibilities to consolidate and strengthen its positioning in light of geopolitical and economic shifts, and attain self-sufficiency as a globally competitive pharmaceutical industry with innovation as a guiding principle for future growth. The Indian Pharma industry has grown at a compounded growth rate of (CAGR) of ~11% in the domestic market and ~16% in exports over the last two decades. While the domestic market has grown at a similar pace to the gross domestic product (GDP), the overall growth has been driven by the industry's leadership in supplying generic formulations to markets across the globe.

In the 2020-30 period, the Indian pharma industry is expected to grow at a compounded annual growth rate (CAGR) of ~12% to reach USD 130 billion by 2030 from USD 41.7 billion in 2020.

The pharmaceutical industry is of economic as well as strategic significance. In order to attain self-sufficiency and be the real pharmacy of the world, a sharp focus shall be required on the next set of avenues to feed the growth engine of this industry.

Performance of the Chemical Industry

The chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers, Dyes and Pigments and Fertilisers. India's proximity to the Middle East, the world's source of petrochemicals feedstock, allows for economies of scale. India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuffs and dye intermediates. The chemicals industry in India has been largely de-licensed, save for a few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for the chemicals and petrochemicals sector.

The domestic chemicals industry had a strong 2020-21, with rising domestic demand, a push for self-sufficiency and reduced reliance on imports boosting performance in the sector. Higher exports on account of global players looking to diversify their supply chain have played a role in the robust performance of the chemicals industry. The "China +1" approach adopted by several countries and corporates can be a key catalyst for growth in the domestic chemicals industry, as various manufacturers look to de-risk their supply chain. Globally, disruption in supplies on account of events such as the US cyclones, the Suez Canal blockage and rising crude prices led to a firming up of prices of chemicals.

As the industry moves into 2021-22, the changed economic, social, environmental and political expectations are expected to play an even greater role in shaping its future. To succeed in the shifting industry landscape of the chemical market, companies should consider implementing a series of targeted, strategic initiatives across major functional areas such as R&D and technology. Excessive focus on the short term, however, could mean that companies end up neglecting long-term opportunities, including investing in innovation, emerging applications, and adopting new business models that generate sustained growth. Chemical companies can use the COVID-19-driven economic crisis as an opportunity to build lasting business strength by making informed and deliberate strategic choices.

The market size of the Chemicals and Petrochemicals sector in India is around USD 178 billion and is expected to grow

to USD 300 billion by 2025. India ranks 9th in exports and 6th in imports of chemicals (excluding pharmaceuticals products). Demand of chemical products is expected to grow at approximately 9% p.a. during 2020-25.

Company Overview

HLE Glascoat Limited (formerly Swiss Glascoat Equipments Limited) ("HGL") was formed 30 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 2016-17 and its successful integration (consequent to the Scheme of Arrangement) with the operating business of HLE Engineers Private Limited, the Company is the largest manufacturer of customised and sophisticated filtration and drying equipment and one of the leading manufacturers of standard and customised glass lined equipment in the country. HGL caters to the Indian and international markets. Your Company has embarked upon a 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 renowned in the market for its high-quality Agitated Nutsche Filter Dryers, Rotary Vacuum Paddle Dryers, Kilo-Lab Filter Dryers and Glass Lined Reactors, Vessels and other Specialised Equipment. The Company commands a good brand recall amongst its customers, which includes most of the large and medium-sized players in the pharmaceutical, specialty chemical and agrochemical industry.

HGL has a strong presence in the domestic market through its network of relationships and selling agents. HGL has an excellent track record of growth and profitability and has emerged as one of the leaders in the Indian marketplace for its sophisticated equipment. The Company'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 a comprehensive provider for sophisticated chemical engineering equipment of any type, size, output including a complete range of accessories for its user industries. 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.

A. Financial performance vis-à-vis Operational performance

▶ Financial Highlights (Standalone)

Particulars	(Rs. in Lakhs)	
	2020-21	2019-20*
Total Income	43,271.44	38,738.01
Profit Before Finance costs, Tax, Depreciation and Amortisation (after adjusting Other Comprehensive Income)	8,889.53	7,166.77
Profit Before Tax (after adjusting Other Comprehensive Income)	7,109.63	5,260.97
Profit After Tax (after adjusting Other Comprehensive Income)	5,195.19	3,785.68
Total Assets	38,663.13	32,217.58
Equity Share Capital	1,307.55	1,293.11
Other Equity	15,147.95	6,325.49
Total Equity	16,455.49	7,618.60
Bank Borrowings	7,356.27	6,705.36
Debt-Equity Ratio (including long-term and short-term borrowings)	0.56	1.29
Book Value per Share of Rs. 10 each - In Rs.	125.85	58.92
Earnings per Share - Basic and Diluted - In Rs.	40.35	29.53
Earnings per Share - From Continuing operations	38.63	29.53
Earnings per Share - From Discontinuing operations	1.72	-
Dividend Per Share - In Rs.	4.00	4.50 (including proposed dividend of 2.50)

* Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary.



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.

In addition to your Company's commitment to quality and sustainability, there is an accentuated management effort towards strong growth. Your Company believes in the 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 standalone revenue from operations for the year 2020-21 was Rs. 42,071.11 Lakhs compared to Rs. 38,738.01 Lakhs during the previous year. Your Company earned profit after tax during the year of Rs. 5,234.73 Lakhs compared to Rs. 3,818.63 Lakhs in the previous year. Standalone Operating Profit/ Earnings before Finance costs, Depreciation and Tax (and adjusting the comprehensive income) for the year stood at Rs. 8,889.53 Lakhs compared to Rs. 7,166.77 Lakhs.

► Segment-wise Performance

The Company has three main segment of operations (i) Filtration, Drying and Other Equipment, (ii) Glass Lined Equipment, and (iii) Chemical Products (being discontinued)

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Revenue		
a) Filtration, Drying and Other Equipment	24,174.97	19,485.49
b) Glass Lined Equipment	20,021.24	15,690.65
c) Chemical Products	4,252.72	7,471.23
EBIT		
a) Filtration, Drying and Other Equipment	43.78	31.05
b) Glass Lined Equipment	41.93	18.93
c) Chemical Products	317.25	1,832.98

► 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 thereof

Key Financial Ratios	2020-21	2019-20	Detailed explanation for change of 25% or more, if any
Debtors Turnover (times)	6.61	9.01	The pandemic has led to some delays in recovery from customers. This being an exceptional situation, the management is hopeful of better realization performance in the coming periods.
Inventory Turnover (times)	1.45	1.34	This improvement is a result of increased sales in the year under review.
Interest Coverage Ratio (times)	8.58	5.47	Higher turnover and profits, reduction in debt and consequent finance costs during the year has improved interest coverage.
Current Ratio	1.41	1.13	Efficient overall working capital management has led to an improved current ratio. Increase in cash accruals as well as the equity infusion have contributed to this improvement.
Debt-Equity Ratio (considering long-term and short-term debt)	0.56	1.29	Equity funds raised during the year and plough back of profits in 2020-21 along with a reduction in total debt has led to a favourable change in the ratio.
Operating Profit Margin (%)	19.14	16.63	Notwithstanding the planned discontinuance of the chemicals business, the Company has improved performance, both by increase in top line and by improvement in cost efficiencies, leading to a considerable improvement in this ratio.
Net Profit Margin (%)	12.35	9.77	The Company has improved its operating performance despite the planned discontinuance of the chemicals business, which is also reflected in the improvement of this ratio.

► 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	2020-21	2019-20	Detailed explanation for change of 25% or more, if any
Return on Net Worth (PAT/ Net Worth)	31.57%	49.69%	While plough back of profits has increased in 2020-21, the Company also raised equity funds in the latter half of the year, resulting in a drop this ratio for the year (which is computed without annualising).

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, handling capability, strengthening distribution channels and reach and entering new market segments and geographies (both in the 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. The output collapse in the first quarter of 2020-21 far exceeded that of previous crises. The recovery that followed lost momentum as COVID-19 cases surged during the second wave. Financial authorities have generally responded to COVID-19 by using the flexibility of regulatory standards, supporting affected borrowers, promoting balance sheet transparency and maintaining operational and business continuity of banks. These measures have helped maintain the flow of credit and mitigated financial sector stress.

Your Company's equipment has a high brand recall amongst its existing customers as well as in the industry. Your Company has further intensified its marketing efforts and service network to strengthen its domestic and global presence and is receiving an encouraging response from customers. 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

The pandemic may persist for longer than expected, perhaps because of setbacks in the production and rollout

of vaccines, weighing further on the global economy. The COVID-19 pandemic has caused a surge in debt levels and exacerbated existing debt-related risks and vulnerabilities, leading to debt distress in some countries. Debt is likely to rise further as governments and financial systems finance the recovery by facilitating the move of capital, labour, skills and innovation to a post-pandemic economic environment. The sheer magnitude and speed of the debt buildup heightens the risk that not all of it will be used for productive purposes. For now, unprecedented monetary policy accommodation has calmed financial markets, reduced borrowing costs and supported credit extension. However, amid the economic disruption caused by the pandemic, historically low global interest rates may conceal solvency problems that will surface in the next episode of financial stress or capital outflows.

Business Risks:

Fluctuations in the prices of steel and other commodities used by the Company as inputs may impact the Company's operating margins.

The Company operates in a competitive industry, especially in terms of price. The industry is characterised by numerous and continuous advances in technology and innovation. It is therefore important for the Company to continue to innovate to be competitive in the industry.

Cyclical trends in the end user industries such as specialty chemicals, agro-chemicals may result in fluctuations in capital expenditure budgets for these industries, which may adversely impact the Company's business.

A substantial portion of your Company's revenue is from domestic customers. Adverse conditions in the Indian economy may impact your Company. However, we are continuously expanding our production capacities to cater to both domestic and export demand and to further diversify the customer base.

The country continues to face restrictions on account of the second wave of the COVID-19 pandemic. There is a risk that some of your Company's workmen may be forced to quarantine in the event of a local spread of cases, which may impact your Company's operations at its manufacturing locations. A surge in COVID-19 cases across the country may bring about additional restrictions in movement of men and material, adversely impacting the supply chain.

Risk Management

Your Company follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. Your Company recognises



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 (Policy), wherein all material risks faced by your Company are identified and assessed. The Risk Management Policy adopted by your Company establishes a structured and disciplined approach to Risk Management in order to guide decisions on risk related issues and 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.

The main objective of the Policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business and processes.

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

- **Financial risks:**

This primarily includes 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. Also, the Company's business may be impacted by monetary policy changes which might affect borrowing terms.

Mitigation

Your 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. Also, the fresh equity issuance coupled with strong cash surplus and plough back has strengthened the Company's borrowing capacity.

- **Regulatory risks:**

Your Company is exposed to risks attached to various statutes, laws and regulations.

Mitigation

Your Company has implemented a compliance management system for effective tracking and managing regulatory and internal compliance requirements. Your Company is mitigating these risks through regular review of statutory compliances carried out through internal as well as external compliance audits.

- **Human Resource risks:**

Retaining the existing talent pool and attracting new talent are inherent business risks. In recent pandemic times, your Company has also observed inherent difficulties associated with migrant labour.

Mitigation

Your Company has an effective system in place related to recruitment and retention of the personnel. Your Company has started to find talent from close vicinities of the manufacturing facilities to minimise this risk.

- **Strategic risks:**

Increasing competition, capital expenditure for capacity expansion, etc., are normal strategic risks faced by the Company; and failure to supply quality products in time at a competitive price may result in loss of market share and reputation.

Mitigation

The Company has well-defined processes and procedures for obtaining Audit Committee and Board's approvals for investments in new businesses and capacity expansions. Also, your Company's manufacturing knowhow and manufacturing processes have been instrumental in delivering high quality products at most competitive price, offering a competitive edge in its product segments.

- **Technology risks:**

There is the risk that the technology may become outdated/ obsolete or some new novel product may get introduced resulting in the new entrant(s) gaining market share and resulting in competition for your Company.

Mitigation

Your Company is engaged in continuous innovation and is attempting to stay ahead of the curve. Today it is the market leader in the filtration and drying segment and is the second largest player in the Glass-lined equipment segment.

- **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.

Mitigation

The Company uses licensed software, standardised backup tools, antivirus and malware protection, stringent IT protocols and procedures to ensure that information and data are stored at two or more diverse locations and is backed up at regular intervals.

- **Raw Material Price Fluctuation risks:**

Fluctuations in the prices of key raw materials like steel and other metals may have an impact on the production costs and prices of products manufactured by your Company. Inability to effectively manage the fluctuations in the prices of raw materials may have a negative impact on the Company's margins and profitability.

Mitigation

The Company buys the metals (which constitute the major component of its material cost) as soon as it accepts the customer orders and to that extent it is insulated against the commodity price movement risks. The Company also maintains certain base inventory. Efficient production forecasting based on past and present trends and procuring raw materials based on its order booking ensures that the Company is protected against raw material price volatility to a large extent.

- **Pandemic risk:**

The pandemic has been one of the key risks in the past year, impacting the manufacturing operations to some extent at all the manufacturing locations of your Company. The second wave of the pandemic resulted in certain restrictions on movement of workmen, material, oxygen shortages, which had some impact on your Company's operations.

Mitigation

The Company responded quickly and implemented numerous safety measures such as temperature screening, sanitising and social distancing norms at all its manufacturing locations and offices. The Company organised several vaccination camps to ensure that all employees above the age of 45 are vaccinated. The Company continues to organise vaccination camps and hopes to achieve full vaccination in the workforce soon.

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 safeguarding of 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 agency has 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 cover every operational unit and all major corporate functions under the guidance 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 the 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 the internal control systems and procedures.

E. Human Resources

Your Company considers people as the most important and valuable asset and the backbone of 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. The management has been receiving active co-operation and support from the entire hierarchy of personnel, resulting in improvement in productivity and overall growth of your Company. Your Company's employees are highly efficient and committed to the growth of the 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 employee strength of your Company as on 31st March, 2021 stands at 543. Your Company believes in focussing on development of its existing staff and workers and provides constant training to them to equip them to take on better and senior positions. The training is provided internally, and training programmes are also organised by inviting external faculty. Our continuous training programs lay emphasis not only on increasing productivity but also on imbuing qualities of commitment and integrity in the attitude and behavior of the employees.

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 Order of the Board of
HLE Glascoat Limited
(formerly Swiss Glascoat Equipments Limited)

Sd/-
Mr. Himanshu Patel
Chairperson and Managing Director

Date: 12th June, 2021

(DIN: 00202312)



Annexure VIII

DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company

The Company believes in enriching the Society and the surrounding environment and it has accordingly formulated a policy related to CSR and the CSR Policy is available on the Company's website: www.hleglascoat.com in 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:

- The activities carried out under this CSR policy will be in the areas as per Schedule VII to the Companies Act, 2013.
- These activities will be carried out directly and through implementing agencies.
- Surplus arising out of the CSR Projects/ programs/ activities, if any, shall not form part of business profits.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sandeep Randery	Chairperson/ Independent Director	3	3
2	Ms. Vijayanti Punjabi	Member/ Independent Director	3	3
3	Mr. Aalap Patel	Member/ Executive Director (Technical)	3	3

3. The Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website www.hleglascoat.com in Corporate Social Responsibility section.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **None**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **None**

6. Average net profit of the Company as per section 135(5): Rs. 2,967.71 Lakhs

- Two percent of average net profit of the Company as per section 135(5): Rs. 59.35 Lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: -
- Amount required to be set off for the financial year, if any: -
- Total CSR obligation for the financial year (7a+7b-7c): Rs. 59.35 Lakhs

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 49.35 Lakhs	N.A.	N.A.	Please refer to point no. 11 of this report		

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project Duration	Amount Allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency		
				State	Dist.			Name	CSR Registration number			
1.	Gram Aavas Yojna/ Low cost Housing Project Expense	Rural Development Projects	Yes	Gujarat	Surat	36 months	N.A.	26.91 Lakhs	NA	No	Yashaswati Foundation	CSR00003105
Total								26.91 Lakhs				

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent in the current financial Year (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency		
				State	Dist.	Name	CSR Registration number		
1.	Covid-19 project- PPE Kits and Food survival kits	*Eradicating hunger, poverty and malnutrition, *promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. *disaster management, including relief, rehabilitation and reconstruction activities		Gujarat	Surat	22.44 Lakhs	No	Yashaswati Foundation	CSR00003105
Total					22.44 Lakhs				

(d) Amount spent in Administrative Overheads: **None**

(e) Amount spent on Impact Assessment, if applicable: **None**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 49.35 Lakhs



(g) Excess amount for set off, if any: N.A.

(Rs. in Lakhs)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	59.35
(ii)	Total amount spent for the Financial Year	49.35
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Rs. 9.01 Lakhs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
1.	NA	Gram Aavas Yojna/ Low cost Housing Project Expense	2018-19	3 years	N.A.	26.91 Lakhs	55.74 Lakhs	Completed
Total						26.91 Lakhs	55.74 Lakhs	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **N.A.**

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

The Company has transferred the whole CSR amount Rs. 59.35 Lakhs allocated for financial year 2020-21 to Yashaswati Foundation; however out of that allocated amount, Rs. 10.00 Lakhs could not be utilised by the Yashaswati Foundation due to lack of proper projects for utilisation. The same shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year 2020-21.

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

Sd/-
Mr. Sandeep Randery
Chairperson- CSR Committee
(DIN: 07663581)

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

Date: 12th June, 2021

Standalone Financials



Independent Auditor's 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, 2021, 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, 2021, 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.

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 Matter	Our Response
1.	<p>Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims</p> <p>The Company has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures</p> <p>We performed the following substantive procedures:</p> <p>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.</p> <p>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.</p> <p>Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome.</p> <p>Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities.</p> <p>Conclusion</p> <p>We agree with management's evaluation.</p>

Sr. No.	Key Audit Matter	Our Response
2.	<p>Defined benefit obligation</p> <p>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</p>	<p>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.</p> <p>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.</p>

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 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of section 164(2) of the Act.

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

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 LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner

Date: 12th June, 2020
Place: Mumbai

Mem. No.: 036490
UDIN: 21036490AAAAGO5506

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 over financial reporting 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:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment's.
- 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.
- 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 185 and 186 of the Act in respect of investments made and guarantees given to subsidiary. 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, 2021 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 requisite approvals mandated by 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) The company has made private placement of equity shares during the year. The private placement of equity shares are in compliance with provisions of section 42 of the Act and the amount raised have been utilized for the purpose for which they were raised, though idle funds which were not required for immediate utilization were invested in liquid investments, payable on demand. During the year the company did not make preferential allotment/private placement of fully/partly convertible debentures.

(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 LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner

Date: 12th June, 2020
Place: Mumbai

Mem. No.: 036490
UDIN: 21036490AAAAGO5506



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 with reference to standalone financial statements of HLE Glascoat Limited as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, 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.

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 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 (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 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 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 with reference to standalone financial statements 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.

For **M. M. NISSIM & CO LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner

Mem. No.: 036490
UDIN: 21036490AAAAGO5506

Date: 12th June, 2020
Place: Mumbai



Standalone Balance Sheet

as at 31st March 2021

Particulars	Note No.	(Rs. in Lakhs)	
		As at 31 st March 2021	As at 31 st March 2020
Assets			
Non-Current Assets			
Property, plant and equipment	2 (a)	10,281.71	8,359.56
Capital work-in-progress	2 (b)	312.41	1,000.58
Investment property	2 (c)	146.87	-
Right of use assets	2 (d)	612.24	42.82
Other intangible assets	2 (e)	379.55	446.94
Financial assets;			
- Investments	3	3,375.10	900.54
- Others financial assets	4	68.26	71.43
Other non-current assets	5	423.84	155.03
Current Assets			
Inventories	6	13,888.61	14,268.11
Financial assets;			
- Trade receivables	7	6,364.64	4,301.87
- Cash and cash equivalents	8	1,038.64	116.11
- Bank balances other than cash and cash equivalents	9	918.22	825.13
- Loans	10	18.97	29.68
- Others financial assets	4	208.77	618.95
Other current assets	5	625.30	1,073.40
Assets held for sale		-	7.43
Total Assets		38,663.13	32,217.58
EQUITY AND LIABILITIES			
Equity			
Equity share capital	SOCE	1,307.55	1,293.11
Other equity	SOCE	15,147.94	6,325.49
Total Equity		16,455.49	7,618.60
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
- Borrowings	11	5,518.59	5,426.80
- Other financial liabilities	12	1.90	1.57
Deferred tax liabilities (net)	13	312.51	324.60
Other non-current liabilities	14	-	14.47
Provisions	15	44.98	40.36
Current Liabilities			
Financial liabilities			
- Borrowings	11	1,980.33	2,762.19
- Trade payables	16		
Outstanding due of micro, small and medium enterprises		452.46	369.02
Outstanding due of creditors other than of micro, small and medium enterprises		5,791.56	6,488.88
- Other financial liabilities	12	2,556.09	2,167.50
Other current liabilities	14	4,714.60	6,417.09
Income tax liabilities		577.99	434.87
Provisions	15	256.63	151.63
Total Liabilities		22,207.64	24,598.98
TOTAL EQUITY AND LIABILITIES		38,663.13	32,217.58
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 and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Standalone Statement of Profit and Loss

for the Year Ended 31st March 2021

Particulars	Note No.	(Rs. in Lakhs)	
		Year Ended 31 st March 2021	Year Ended 31 st March 2020
INCOME			
Revenue from contract with customers	17	42,071.11	38,738.01
Other income	18	1,200.33	924.61
TOTAL INCOME		43,271.44	39,662.62
EXPENSES			
Cost of materials consumed	19	19,662.10	20,663.67
Changes in inventories of finished goods and work-in-progress	20	424.76	(1,483.27)
Employee benefits expense	21	3,449.45	3,119.27
Finance costs	22	943.35	1,183.38
Depreciation and amortisation expense	2 (a) & (c) & (d) & (e)	836.55	722.42
Other expenses	23	10,806.06	10,163.23
TOTAL EXPENSES		36,122.27	34,368.70
PROFIT BEFORE TAX		7,149.17	5,293.92
TAX EXPENSE			
Current tax		1,926.53	1,427.14
Deferred tax		(12.09)	63.80
Earlier year adjustments		-	(15.65)
TOTAL TAX EXPENSE		1,914.44	1,475.29
PROFIT FOR THE YEAR		5,234.73	3,818.63
Profit Before Tax for the period from Continuing operations		6,831.93	-
Tax Expense of Continuing Operations		1,820.31	-
Profit for the period from Continuing operations		5,011.62	-
Profit Before Tax for the period from Discontinuing Operations		317.24	-
Tax expense of Discontinuing Operations		94.13	-
Profit for the period from Discontinuing Operations		223.11	-
PROFIT FOR THE YEAR		5,234.73	3,818.63
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(55.79)	(46.49)
Income tax relating to items that will not be reclassified to profit or loss		16.25	13.54
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(39.54)	(32.95)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,195.19	3,785.68
EARNINGS PER EQUITY SHARE	26 (a)		
a. From Continuing Operations			
Basic		38.63	29.53
Diluted		38.63	29.53
b. From Discontinuing Operations			
Basic		1.72	-
Diluted		1.72	-
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 and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212



Standalone Statement of Changes in Equity

for the Year Ended 31st March 2021

SHARE CAPITAL

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity share of Rs. 10/- each	1,80,00,000	1,800.00	1,80,00,000	1,800.00
Preference Shares of Rs. 10/- each	26,00,000	260.00	26,00,000	260.00
Issued, Subscribed and Fully Paid-up Equity Share Capital	1,30,75,480	1,307.55	1,29,31,076	1,293.11
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,29,31,076	1,293.11	65,00,000	650.00
Changes in equity share capital during the year:				
Issued during the period	1,44,404	14.44	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	1,30,75,480	1,307.55	1,29,31,076	1,293.11

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 entitled 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 st March 2021		As at 31 st March 2020	
	No.	%	No.	%
Patel Himanshu Khushalbhai	35,95,707	27.50%	35,95,707	27.81%
Patel Nilesh Khushalbhai	36,39,127	27.83%	36,39,127	28.14%
Patel Harsh Himanshubhai	18,59,580	14.22%	18,59,580	14.38%

Standalone Statement of Changes in Equity (contd.)

for the Year Ended 31st March 2021

OTHER EQUITY

Particulars	Reserves and Surplus		Retained Earnings	Remeasurements of Defined Benefit Plans	Equity Component of Compound Financial Instrument	Share Suspense Account	Preference Share Capital	Capital Redemption Reserve	Money received against share warrants	Total
	General Reserve	Capital Reserve								
Balance at the beginning of the comparative reporting year - 1st April, 2019	(309.95)	1.52	1,818.40	57.58	1,096.53	830.62	-	-	-	3,494.70
Demerger Adjustment	-	-	-	-	(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	(309.95)	1.52	5,637.03	24.63	1,096.53	-	187.52	-	-	3,142.58
Transactions with owners in their capacity as owners:										
Dividends and Dividend Distribution Tax;	-	-	(258.62)	-	-	-	-	-	-	(258.62)
- Final Dividend	-	-	(53.17)	-	-	-	-	-	-	(53.17)
- Dividend Distribution Tax	-	-	(1,850.00)	-	-	-	-	-	-	(1,850.00)
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
On issue of Preferential Allotment	1,985.54	-	-	-	-	-	-	-	2,000.00	3,985.54
Share Issue Expense Set Off	(35.00)	-	-	-	-	-	-	-	-	(35.00)
Transfer to Capital Redemption Reserve	-	-	(37.50)	-	37.50	-	(37.50)	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
Profit for the Current Reporting year ending 31 March 2021	-	-	5,234.73	-	-	-	-	-	-	5,234.73
Other Comprehensive Income	-	-	-	(39.54)	-	-	-	-	-	(39.54)
Total Comprehensive Income for the Reporting year	1,950.54	-	5,197.23	(39.54)	37.50	-	(37.50)	-	2,000.00	9,145.73
Transactions with owners in their capacity as owners:										
Dividends and Dividend Distribution Tax;	-	-	(2,000.00)	-	-	-	-	-	-	(2,000.00)
Transfer to General Reserve	2,000.00	-	(323.28)	-	-	-	-	-	-	(323.28)
- Final Dividend (Rs.2.5 per share)	-	-	(323.28)	-	-	-	-	-	-	(323.28)
Balance at the end of the reporting year ending 31st March 2021	1,950.54	3,540.05	6,349.18	(14.91)	1,134.03	-	150.02	37.50	2,000.00	15,147.94



Standalone Statement of Changes in Equity (contd.)

for the Year Ended 31st March 2021

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 Instrument	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.
Money received against share warrants	Money against share warrant represents amount received against share warrants pending equity allotment. (Refer note no 26(I)).
Capital Redemption Reserve	Capital Redemption Reserve is created by the company for redemption of preference share from its profits.

This is the Statement of Changes in Equity referred to in our report of even date For and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Standalone Statement of Cash Flow

for the Year Ended 31st March 2021

(Rs. in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	7,149.17	5,293.92
Adjustment for :		
Depreciation	836.55	722.42
Finance Cost (including fair value change in financial instruments)	943.35	1,091.18
Foreign currency transactions and translation gain (net)	-	(5.42)
Share in Profit- Subsidiary (Partnership)	(779.76)	(385.47)
Provision for doubtful debts/advances	3.34	20.80
Interest Income	(86.12)	(127.44)
Dividend Income	(0.01)	(0.01)
Deffered income	(14.47)	(41.39)
Bad Debts written off	15.36	-
Remeasurements of Defined benefit plans	(55.79)	(46.49)
Net gains on sale of investments	(2.59)	(2.54)
Cessation of liability	(20.73)	(10.72)
Advances written off	-	35.09
Loss / (Gain) on Sale / Disposal of Fixed Assets	178.48	24.54
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	8,166.78	6,568.47
Trade receivables	(2,081.47)	(1,041.07)
Other Current Assets	3,446.37	145.48
Other Financial Assets	408.02	(429.92)
Loans and Advance	10.71	(17.90)
Inventories	379.50	(1,932.45)
Trade Payable	(630.80)	512.87
Provisions	109.60	106.80
Other Non Current Financial Liabilities	(2,900.79)	128.61
Other Current Financial Liabilities	40.55	51.51
Other liabilities	(1,795.75)	822.63
CASH GENERATED FROM OPERATIONS	5,152.72	4,915.03
Direct Taxes paid	(1,750.57)	(1,004.03)
NET CASH FROM OPERATING ACTIVITIES	3,402.15	3,911.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress And Capital Advance	(3,206.96)	(2,208.28)
Proceeds from Sale of Fixed Aseets	347.77	6.86
Increase/Decrease in Investment in Subsidiary (Partnership)	(2,474.56)	(93.59)
Share in Profit- Subsidiary (Partnership)	779.76	385.47
Fixed Deposits with Banks	(75.22)	299.37
Purchase of current investment	(2,376.00)	(870.00)
Proceeds of current investments	2,378.59	872.54
Interest Income	91.45	123.23
Dividend income	0.01	0.02
NET CASH USED IN INVESTING ACTIVITIES	(4,535.16)	(1,484.38)



Standalone Statement of Cash Flow (contd.)

for the Year Ended 31st March 2021

Particulars	(Rs. in Lakhs)	
	Year ended 31 st March 2021	Year ended 31 st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / Proceeds from Working Capital Facilities (Net)	(781.84)	(1,685.35)
Proceeds from long-term borrowings	41.67	764.33
Proceeds from Issue of Share capital/Share Warrants	3,999.99	-
Proceeds/(Repayments) of Term Loans	555.97	(821.29)
Redemption of Preference share	(747.73)	-
Changes in Financial Liabilities	-	(90.00)
Interest paid	(689.24)	(799.33)
Dividend and Corporate Dividend Tax	(323.28)	(312.89)
NET CASH FROM FINANCING ACTIVITIES	2,055.54	(2,944.52)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	922.53	(517.90)
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020	116.11	634.01
Cash and Cash Equivalents(Note 8)	116.11	634.01
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021	1,038.64	116.11
Cash and Cash Equivalents(Note 8)	1,038.64	116.11
Notes to Cash Flow Statement:		
1. The above Cash Flow Statement has been prepared under the Indirect Method.		
2. Reconciliation of Financing Liabilities		
	31.03.2021	31.03.2020
Opening Balance	9,826.47	11,278.17
Cash inflow/ (outflow) of non-current borrowings	104.02	233.65
Cash inflow/(outflow) of current borrowings	(781.85)	(1,685.35)
Closing Balance	9,148.64	9,826.47

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 LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Notes to the Standalone Ind AS Financial Statements

for the Year Ended 31st March 2021

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:

- 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.
- Other Engineering Equipment - Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.
- 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.

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.

- Certain financial assets/liabilities measured at fair value (refer Note 25A) and
- 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, 2021 were authorised for issue in accordance with a resolution of the directors on 12th June, 2021.

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,



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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.

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 derecognized.

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/discharged 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

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Statements 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.

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 expense 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.

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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,

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- 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

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- Financial assets at fair value through profit or loss
Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial 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 financial 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

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit 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.

2 (A) PROPERTY, PLANT AND EQUIPMENT

Particulars	(Rs. in Lakhs)										Total	
	Freehold Land	Buildings	Plant and equipment	Windmill	Tools and Equipments	Electric Furniture and Installation and fixtures and Equipment	Vehicles	Office equipment	Computers			
Gross Block												
Carrying value as at 31 st March 2019	31.38	2,403.15	4,673.48	536.91	249.04	286.37	125.56	229.57	99.90	112.31	8,747.67	
Additions	153.17	937.54	(103.64)	-	94.71	107.13	1.47	174.72	40.78	16.77	1,526.29	
Disposals	-	-	(103.64)	-	-	(0.30)	-	(2.75)	-	(20.78)	(127.47)	
Carrying value as at 31 st March 2020	31.38	2,556.32	5,507.38	536.91	343.75	393.20	127.03	401.54	140.68	108.30	10,146.49	
Additions	1,446.53	990.25	764.23	-	72.45	40.22	67.29	42.33	25.11	22.16	3,470.57	
Transfer to Investment Property	(153.17)										(153.17)	
Disposals	(38.24)	(1,118.16)				(29.60)		(23.99)	(0.94)		(1,210.93)	
Carrying value as at 31st March 2021	1,477.91	3,355.16	5,153.45	536.91	416.20	403.82	194.32	419.88	164.85	130.46	12,252.96	
Depreciation Block												
Accumulated depreciation / Amortisation as at the 31 st March 2019	214.28	412.95	246.64	379.8	379.8	68.34	40.75	76.21	56.52	70.78	1,224.45	
Depreciation / Amortisation for the year	92.74	367.66	14.19	41.71	41.71	33.12	13.82	46.93	19.80	21.15	651.12	
Disposals	-	(65.87)				(0.19)		(1.97)		(20.61)	(88.64)	
Accumulated depreciation / Amortisation as at the 31 st March 2020	307.02	714.73	260.83	79.69	79.69	101.27	54.57	121.17	76.32	71.32	1,786.93	
Depreciation / Amortisation for the year	102.74	407.28	14.20	48.22	48.22	41.74	14.88	58.10	22.29	17.83	727.28	
Transfer to Investment Property	(1.45)										(1.45)	
Disposals	(18.74)	(493.74)				(12.21)		(15.93)	(0.89)		(541.51)	
Accumulated depreciation / Amortisation as at the 31st March 2021	389.57	628.28	275.03	127.91	127.91	130.80	69.45	163.33	97.72	89.15	1,971.25	
Net Block												
As at 31 st March 2020	31.38	2,249.30	4,792.65	276.07	264.06	291.93	72.46	280.37	64.36	36.98	8,359.56	
As at 31st March 2021	1,477.91	2,965.59	4,525.17	261.88	288.29	273.02	124.86	256.55	67.13	41.31	10,281.71	

Note:

1. The amount of borrowing cost capitalised during the year ended 31st March 2021- Rs. 42.48 Lakhs (Previous Year Rs. 8.47 Lakhs).

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

2 (B). CAPITAL WORK-IN-PROGRESS

	(Rs. in Lakhs)
As at 31 March 2020	1,000.58
As at 31 March 2021	312.41

Particulars	(Rs. in Lakhs)				
	Note 2 (c) : Investment Property	Note 2 (d) : Right of use asset	Note 2 (e) : Intangible Assets		Total
	Buildings	Land	Computer Software	Technical Know How	
Gross Block					
Carrying value as at 31 st March 2019	-	-	77.73	585.50	663.23
Additions	-	-	19.75	-	19.75
Transfer from prepaid lease rental	-	43.42	-	-	-
Disposals	-	-	-	-	-
Carrying value as at 31 st March 2020	-	43.42	97.48	585.50	682.98
Additions	-	600.98	5.46	-	5.46
Disposals	-	-	-	-	-
Carrying value as at 31st March 2021	153.17	644.40	102.94	585.50	688.45
Depreciation Block					
Accumulated depreciation / Amortisation as at the 31 st March 2019	-	-	33.79	131.58	165.37
Depreciation / Amortisation for the year	-	0.60	13.78	56.89	70.67
Disposals	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 st March 2020	1.45	0.60	47.57	188.47	236.04
Depreciation / Amortisation for the year	4.85	31.57	16.12	56.73	72.85
Disposals	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31st March 2021	6.30	32.16	63.69	245.21	308.90
Net Block					
As at 31 st March 2020	-	42.82	49.91	397.03	446.94
As at 31st March 2021	146.87	612.24	39.25	340.30	379.55



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

3. INVESTMENTS

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Investment in Subsidiary				
i. Partner in H.L Equipment with profit / loss sharing ratio of 99% (Previous Year 80%)	3,375.10	900.54	-	-
Total	3,375.10	900.54	-	-
Aggregate value of unquoted investment	3,375.10	900.54		

(Rs. in Lakhs)

Details of Partnership	As at 31 st March 2021		As at 31 st March 2020	
	Ratio	Amount	Ratio	Amount
M/S HLE GLASCOAT LIMITED	99.00%	3,375.10	80.00%	900.54
Mr. HIMANSHU K PATEL	0.25%	(5.17)	8.20%	58.36
Mr. HARSH H PATEL	0.25%	9.48	2.20%	14.59
Mr. AALAP N PATEL	0.25%	(1.94)	8.00%	53.44
Mrs. SHEETAL H PATEL	0.25%	9.47	1.60%	10.16
Total	100.00%	3386.94	100.00%	1,037.09

The Company entered into an agreement with the other partners to acquire additional partnership interest ("the Agreement") on 9th October 2020 under which the other partners granted the Company an exclusive, non-transferable right and an option to acquire additional partnership interest upto 19% held by the other partners, exercisable at any time till 30th September 2023 at a consideration of Rs. 20 crores. Accordingly, on exercise of the option by the Company, a Revised Partnership Deed was executed on 1st December 2020 between the partners and the partnership interest of the Company was increased from 80% to 99% and the partnership interest of the other partners was reduced to 1%.

4. OTHER FINANCIAL ASSETS (SECURED, CONSIDERED GOOD)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Bank deposits with more than 12 months maturity	6.20	6.20	-	-
Others:				
Security deposits	62.06	65.23	3.34	3.34
Interest accrued on loans and deposits	-	-	27.26	32.59
Export benefit receivable (Duty drawback)	-	-	49.26	454.11
IT refund receivable	-	-	128.91	128.91
Total	68.26	71.43	208.77	618.95

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

5. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Capital advances	423.65	154.84	-	-
Advances other than capital advances	-	-	-	36.05
Advances to employees	-	-	0.32	0.31
Advances to suppliers	-	-	428.00	376.33
Sub Total	423.65	154.84	428.32	412.69
Others:				
Balance with govt. authorities	-	-	121.80	595.29
Prepaid expenses	0.19	0.19	75.18	65.42
Sub Total	0.19	0.19	196.98	660.71
Total	423.84	155.03	625.30	1,073.40

6. INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Raw materials	5,438.25	5,664.78
Work-in-progress	6,730.22	7,087.02
Finished goods	1,114.11	1,182.07
Stores and spares	606.03	334.24
Total	13,888.61	14,268.11

7. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade receivables		
Unsecured, considered good #	6,364.64	4,301.87
Doubtful	13.39	23.65
Less: Impairment provision on expected credit loss model	(13.39)	(23.65)
Total	6,364.64	4,301.87

*of the above, trade receivable due from related party Rs. 953.85 (Previous Year Rs. 326.92 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.



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

8. CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Balances with banks (of the nature of cash and cash equivalents)	1,037.23	112.55
Cash on hand	1.41	3.56
Total	1,038.64	116.11

9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Margin money deposits with a bank	823.15	747.92
Others:		
Unclaimed dividend account	95.07	77.21
Total	918.22	825.13

10. LOANS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Loans to employees	18.97	29.68
Total	18.97	29.68

11. BORROWINGS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
NON CURRENT		
Secured		
Term loans;		
- from banks and financial Institution	3,702.97	3,117.57
Interest accrued on term loan	23.25	34.57
Preference Share Liability		
18,75,152 9.50% redeemable preference shares of Rs. 8 each (previous year Rs. 10 each)	1,792.37	2,274.66
Sub - Total	5,518.59	5,426.80
CURRENT		
Secured		
Loans repayable on demand		
- from banks and financial Institution	1,980.33	1,915.73
Unsecured		
Loan from directors (refer note no.26 f)	-	167.86
Loan from relatives of directors (refer note no.26 f)	-	305.27
Inter corporate loan (refer note no.26 f)	-	300.00
Interest accrued on unsecured loan	-	73.33
Sub - Total	1,980.33	2,762.19
Total	7,498.92	8,188.99

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Non-Current Borrowings

- Term loan taken from RBL Bank are 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 other banks). Entire facilities obtained from RBL Bank are secured by creation of collateral security by Equitable Mortgage by way of first pari passu charge over specific immovable properties owned by the Company, director, and subsidiary company and equitable mortgage by way of second charge on specific property owned by the directors of the Company. The loan is also secured by personal guarantees of the directors. The loan is repayable in 54 equal monthly installments commencing from December, 2016, and carries an interest rate of 12.50% p.a. (March 31, 2020: 12.50% p.a).
- Term loan from Bajaj Finance Limited is secured by hypothecation of specific immovable property owned by the director. The loan is repayable in 84 quarterly installments commencing from November, 2017 and carries an interest rate of 10.25% p.a. (March 31, 2020: 10.75% p.a) payable on monthly basis.
- Term loan from Citibank NA is secured by hypothecation charge over specific plant and machinery acquired out of the term loan and further secured by pari passu equitable mortgage of building and other fixed assets of the Company, and specific immovable property owned by the director. Repayment in 16 equal quarterly installment beginning from April, 2022 and carries an interest rate of 8.25% p.a. (March 31, 2020: N.A.)
- Term loan from State Bank of India is secured by hypothecation charge over specific plant and machinery, present and future, acquired out of the term loan and further secured by pari passu equitable mortgage of building and other fixed assets of the Company. Repayable in 60/ 78/48 installments beginning April, 2016, October, 2019 and October, 2020 respectively. Interest @ 1/ 1.25/ 2% above MCLR-1Y with a minimum of 9.55/9.8/10.05% p.a. (March 31, 2020: 9.55/9.80/10.05%) respectively rising or falling therewith, on daily product with monthly rests.
- Vehicle loans taken from HDFC Bank are secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly installments from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 9.50% p.a and 8.50% p.a. (March 31, 2020: 9.50% p.a., 8.70% p.a.)
- Vehicle loans taken from financial institution are secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly installments from the month subsequent to the disbursement of the loan. The interest is payable on monthly basis at 11.05% p.a. [March 31, 2020: 11.05% p.a.]
- Pursuant to the order of the National Company Law Tribunal, Ahmedabad Bench dated 18th November, 2019, the Company has cancelled 32,25,953 equity shares. In lieu of the cancelled shares, the Company has issued 18,75,152 9.5% Cumulative Redeemable Preference Shares of Rs. 8/- each (previous year Rs. 10/- each). Each Preference Share is entitled for cumulative preference dividend of 9.5% p.a. and redeemable in five equal annual installments starting from June, 2020.
- The charges created in favour of the Bankers by way of Equitable Mortgage with pari passu charge over the immovable properties of Shri Himanshu K Patel, Director are Land located in Nadod bearing Survey No/Block No 140/A plot no 1 and 3, Building located in Navsari in Sahil Flat No 703 and Land located in Surat bearing Survey No 61.

Current Borrowings

- Working capital facilities including packing credit and foreign bill discounting from RBL Bank are secured by hypothecation by way of pari passu charge on all stocks, book debts, plant and machinery (except plant and machinery which are funded against term loan availed from other banks), 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, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the directors of the Company. The rate of interest for cash credit is 9.65% (MCLR+1%) [March 31, 2020: 10.45% (MCLR+1%)] and for other facilities is LIBOR plus 250 bps [March 31, 2020: LIBOR plus 250 bps]

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- 2) Working capital facilities including packing credit and foreign bill discounting from HDFC Bank are secured by hypothecation by way of pari passu charge on all present and future stocks and book debts. The 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, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the director of the Company. The rate of interest for cash credit is 9.55% (MCLR+2.35%) p.a. [March 31, 2020: 10.05% (MCLR+2.35%) p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2020: LIBOR plus 250 bps].
- 3) Working capital facilities from Citibank are secured by hypothecation by way of pari passu charge on all present and future stocks and book debts. The entire facilities obtained from Citibank are secured by collateral security by way of Equitable Mortgage along with pari passu charge with HDFC Bank and State Bank of India over immovable properties owned by the Company, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the director of the Company. The rate of interest for cash credit is 9.25% (MCLR+2.95%) p.a.
- 4) Working capital loan from State Bank of India 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 8.00% p.a. [March 31, 2020: 1% above MCLR-1Y with a minimum of 9.05% p.a.] rising or falling therewith, on daily products with monthly rests.
- 5) The unsecured loans from directors and relatives are carrying an interest @ 9% p.a., [March 31, 2020: 9% p.a.] re-payable on demand.
- 6) The charges created in favour of the Bankers by way of Equitable Mortgage with pari passu charge over the immovable properties of Shri Himanshu K Patel, Director are-Land located in Nadod bearing Survey No/Block No 140/A plot no 1 and 3, Building located in Navsari in Sahil Flat No 703 and Land located in Surat bearing Survey No 61.

12. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Current maturities of long-term debt	-	-	1,649.72	1,637.49
Unclaimed dividends	-	-	95.07	77.21
Others :				
Security deposit	1.90	1.57	2.05	5.08
Employee related payable	-	-	384.08	322.66
Capital creditors	-	-	292.64	125.06
Lease liability	-	-	132.53	-
Total	1.90	1.57	2,556.09	2,167.50

13. DEFERRED TAX LIABILITIES - (NET)

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Deferred Tax Liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE, Intangibles and lease hold	1,141.26	1,172.66
Deferred Tax Asset:		
Accrued expenses allowable on actual payment	(19.90)	(39.20)
MAT Credit	(808.86)	(808.86)
Total	312.51	324.60

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

14. OTHER LIABILITIES

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Contract liability (advance from customers) #	-	-	4,428.29	6,122.17
Other advances	-	-	-	10.95
Statutory dues	-	-	133.43	99.24
Liabilities for expenses	-	-	152.88	184.73
Unamortised govt. grant	-	14.47	-	-
Total	-	14.47	4,714.60	6,417.09

of the above, advance from related party is Nil (Previous Year Rs. 17.02 Lakhs) (refer note no.26 f)

During the year ended 31st March, 2021, the company has recognised revenue of Rs. 5900.59 Lakhs (Previous Year Rs. 5293.95 Lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under;

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
As at beginning of the year	6,122.16	5,498.15
Recognised as revenue from contracts with customers	5,900.59	5,293.95
Advance returned back to customer	7.59	-
Advance from customers received during the year	4,214.30	5,917.97
Balance at the close of the year	4,428.29	6,122.17

15. PROVISIONS

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Provision for employee benefits				
Gratuity	-	-	160.06	98.95
Leave benefits	44.98	40.36	15.80	13.21
Provision for unexpired warranty	-	-	80.77	39.47
Total	44.98	40.36	256.63	151.63

Movement of Provision for unexpired warranty

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Opening balance	39.47	5.72
Add: Additional provision made during the year	51.41	38.80
Less: Provision amount used during the year	10.11	5.05
Closing balance	80.77	39.47



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Movement of Provision for employee benefits

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Opening balance	152.52	79.47
Add: Additional provision made during the year	141.18	123.00
Less: Provision amount used during the year	72.86	49.95
Closing balance	220.84	152.52

16. TRADE PAYABLES

(Rs. in Lakhs)

Particulars	Current	
	As at 31 st March 2021	As at 31 st March 2020
Outstanding due of micro, small and medium enterprises	452.46	369.02
Outstanding due of creditors other than of micro, small and medium enterprises	5,791.56	6,488.88
Total	6,244.02	6,857.90
Of the above;		
- Acceptances	1112.78	1,415.98
- Payable to related party Rs. 11.37 Lakhs (Previous Year Rs. 146.93 Lakhs) (Refer Note 26 f)		

17. REVENUE FROM CONTRACT WITH CUSTOMERS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Revenue from operations		
Sale of goods	40,927.01	37,709.36
Sale of services	872.31	790.57
Other operating revenues:		
Scrap sales	254.86	234.63
Miscellaneous	16.93	3.45
Total	42,071.11	38,738.01

Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Gross Sales (Contracted Price)	40,950.88	37,750.76
Reductions towards variable consideration (Discounts & delayed delivery charges)	23.87	41.40
Revenue recognised	40,927.01	37,709.36

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

18. OTHER INCOME

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Interest income	86.12	127.44
Rent income	58.00	6.50
Dividend income	0.01	0.01
Export incentives	102.02	101.61
Net gain on sale of investments	2.59	2.54
Net gain on foreign currency transaction	-	5.42
Net gain on sale of property, plant and equipment	31.51	5.14
Deferred income	14.47	42.64
Cessation of liability	20.73	10.72
Income from windmill	86.91	154.29
Share of profit in subsidiary (partnership)	779.76	385.47
Miscellaneous income	18.21	82.83
Total	1,200.33	924.61

19. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Opening stock of raw materials	5,664.78	5,196.69
Purchases during the year	19,435.57	21,131.76
Closing stock of raw materials	(5,438.25)	(5,664.78)
Total	19,662.10	20,663.67

20. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Closing stock:		
Finished goods	1,114.11	1,182.08
Work-in-progress	6,730.22	7,087.02
	7,844.33	8,269.10
Less: Opening stock:		
Finished goods	1,182.07	1,070.55
Work-in-progress	7,087.02	5,715.28
	8,269.09	6,785.83
Total	424.76	(1,483.27)



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

21. EMPLOYEE BENEFITS EXPENSE

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Salaries and wages	3,123.97	2,875.37
Contribution to provident, gratuity and other funds	148.29	117.28
Staff welfare expenses	177.19	126.62
Total	3,449.45	3,119.27

22. FINANCE COSTS

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Interest on loans	386.32	459.90
Interest on working capital facilities	177.64	274.12
Interest - others	0.08	27.33
Interest on unsecured loan	55.67	112.67
Other	25.61	-
Dividend on redeemable preference share	15.14	21.48
Other borrowing costs;		
Unwinding of discount relating to long term liabilities	282.89	287.88
Total	943.35	1,183.38

23. OTHER EXPENSES

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Stores and spares consumed	1,711.44	1,569.21
Power and fuel	1,722.98	2,229.63
Processing expenses	4,028.44	3,524.34
Rent	26.60	19.64
Rates and taxes	272.35	25.42
Insurance expenses	84.52	74.00
Printing and stationery	29.52	31.08
Repairs and renewals:		
Buildings	151.03	89.68
Plant and machinery	257.19	361.40
Other assets	12.72	13.42
Travelling and conveyance	96.26	82.21
Communication expenses	32.98	30.23
Vehicle expenses	78.66	49.92
Auditors' remuneration:		
Statutory Audit Fees	21.00	15.50
Tax Audit Fees	2.00	2.00
Other Fees	5.50	0.54
Sub-Total	28.50	18.04

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Director's sitting fee	3.90	3.15
Director's travelling	5.77	33.41
Sales promotion expenses	7.00	24.78
Bad debts written-off	15.36	-
Donation	1.52	1.49
Corporate social responsibility expense (Refer note 26 h)	59.35	17.76
Security expenses	54.36	43.52
Commission	401.79	441.38
Freight and forwarding (Net)	667.96	674.07
Laboratory expense	26.53	25.14
Packing expenses	21.27	59.51
Pollution control exp	90.67	86.45
Provision for doubtful advances /debts	3.34	20.80
Advance written off	-	35.09
Bank charges	87.61	106.60
Net loss on foreign currency translation and transaction	16.68	-
Net loss on sale of property, plant and equipment	-	11.67
Net loss on Impairment of property, plant and equipment	209.99	-
Loss on derecognition of asset	-	18.00
Legal and professional fees	324.75	246.18
Inventory Write Off	55.56	-
Warranty expense	51.41	33.75
Miscellaneous expenses	168.05	162.26
Total	10,806.06	10,163.23

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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Interest bearing loans and borrowings	7,168.31	7,064.29
Less: cash and short term deposits	1,956.86	941.24
Net debt	5,211.45	6,123.05
Equity	1,307.55	1,293.11
Other equity	15,147.94	6,325.49
Total capital	16,455.49	7,618.60
Capital and net debt	21,666.94	13,741.65
Gearing ratio %	24.05%	44.56%



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

24. 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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Fixed-rate instruments		
Borrowings	9,148.64	9,826.48

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.

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.

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

The ageing of trade receivables is as follows:

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
More than 6 months	1,007.21	297.29
Others	5,357.43	4,004.58
Total	6,364.64	4,301.87

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 & 12	3,658.61 (4,399.67)	4,366.55 (4,241.01)	1,123.48 (1,185.79)	-
Trade payable	16	6,244.02 (6,857.90)	-	-	-
Security deposit	12	2.05 (5.08)	1.90 (1.57)	-	-
Employee benefit/ expense liabilities	12	384.08 (322.66)	-	-	-
Unclaimed dividends	12	95.07 (77.21)	-	-	-
Others	12	425.17 (125.06)	-	-	-

Figures in brackets are in respect of previous year

25. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Accounting profit before income tax	7,149.17	5,293.92
At India's statutory income tax rate of 29.12% (31 March 2020: 29.12%)	2,065.58	1,528.05
Effect of exempt / lower tax non-operating income	(227.07)	(112.25)
Effect of non-deductible expenses	88.01	11.34
Changes in recognised deductible temporary differences	(12.09)	63.80
Earlier year tax adjustments	-	(15.65)
Total	1,914.44	1,475.29

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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.

(Rs. in Lakhs)

31 st March 2021	Note No.	Carrying amount				Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Investments	3	-	-	3,375.10	3,375.10	-	-	3,375.10	3,375.10
Trade Receivables	7	-	-	6,364.64	6,364.64	-	-	6,364.64	6,364.64
Loans	10	-	-	18.97	18.97	-	-	18.97	18.97
Others financial assets	4	-	-	277.03	277.03	-	-	277.03	277.03
Cash and cash equivalents	8	-	-	1,038.64	1,038.64	-	-	1,038.64	1,038.64
Bank balances other than above	9	-	-	918.22	918.22	-	-	918.22	918.22
Total		-	-	11,982.60	11,982.60	-	-	11,982.60	11,982.60
Financial liabilities									
Borrowings	11	-	-	9,148.64	9,148.64	-	9,148.64	-	9,148.64
Trade Payables	16	-	-	6,244.02	6,244.02	-	-	6,244.02	6,244.02
Other Financial Liabilities	12	-	-	908.27	908.27	-	-	908.27	908.27
Total		-	-	16,300.93	16,300.93	-	9,148.64	7,152.29	16,300.93

(Rs. in Lakhs)

31 st March 2020	Note No.	Carrying amount				Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Investments	3	-	-	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	4	-	-	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
Total		-	-	6,871.14	6,871.14	-	-	6,871.14	6,871.14
Financial liabilities									
Borrowings	11	-	-	9,826.48	9,826.48	-	9,826.48	-	9,826.48
Trade Payables	16	-	-	6,857.90	6,857.90	-	-	6,857.90	6,857.90
Other Financial Liabilities	12	-	-	531.58	531.58	-	-	531.58	531.58
Total		-	-	17,215.96	17,215.96	-	9,826.48	7,389.48	17,215.96

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

25 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.

- The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
- 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.

26. ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Profit after taxation		
Profit for the period from Continuing operations	5,011.62	3,818.63
Profit for the period from Discontinuing Operations	223.11	-
Weighted average number of equity shares for the purpose of basic earnings per share (nos in Lakhs)	1,29,74,991	1,29,31,076
Earnings per share		
a. From Continuing Operations		
Basic	38.63	29.53
Diluted	38.63	29.53
b. From Discontinuing Operations		
Basic	1.72	-
Diluted	1.72	-

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:

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
(i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year	452.46	369.02
(ii) Interest accrued and due to suppliers on above amount, unpaid	6.08	11.06
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	0.05	-
(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
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	6.08	11.36
(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	11.01	9.44

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 Not applicable)

d) Expenditure on Research and Development

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Revenue expenditure:		
Employee benefit expenses	120.33	76.50
Labour charges	21.50	23.56
Power and fuel	17.14	16.81
Repair & maintenance	28.29	30.91
Freight and forwarding expenses	0.23	0.06
Travelling and conveyance	0.00	0.03
Legal & professional fees	0.65	0.00
Laboratory expense	9.82	8.39
Miscellaneous expenses	0.14	0.01
Sub- Total	198.10	156.27
Capital expenditure:		
R & D Plant and Machinery	78.46	116.19
R & D Computers	0.31	0.38
R & D Furniture & Fixtures	-	5.44
Sub- Total	78.77	122.01
Total	276.87	278.28

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
i) Employer's contribution to provident fund	80.06	64.77
*Included in "contribution to provident and other funds" (Note 21).		
ii) Leave encashment - unfunded	43.11	14.23

iii) Defined benefit obligation:

- a) The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

i) Changes in the present value of obligation

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Present value of obligation as at the beginning	389.75	314.69
Current service cost	39.28	31.98
Interest expense or cost	25.68	23.03
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	14.85	23.95
- experience variance (i.e. actual experience vs assumptions)	45.43	20.99
Benefits paid	(18.74)	(24.89)
Present value of obligation as at the end	496.24	389.75

ii) Changes in the fair value of plan assets

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Fair value of plan assets as at the beginning	290.80	280.10
Investment income	19.16	20.47
Return on plan assets excluding interest income	4.48	(1.55)
Employer's contribution	40.47	16.66
Benefits paid	(18.74)	(24.88)
Fair value of plan assets as at the end	336.17	290.80

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

iii) Expenses recognised in the income statement

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Current service cost	39.28	31.98
Net interest cost / (income) on the net defined benefit liability / (asset)	6.52	2.55
Expenses recognised in the income statement	45.80	34.53

iv) Other comprehensive income

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Actuarial (gains) / losses		
- change in financial assumptions	14.85	23.95
- change in demographic assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	45.43	20.99
Return on plan assets excluding interest income	(4.48)	1.55
Components of defined benefit costs recognised in other comprehensive income	55.79	46.49

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Funds managed by insurer	100%	100%
Investment in insurance company		
Life Insurance Corporation of India	16%	14%
Reliance (Nippon Life insurance)	47%	47%
Bajaj Allianz	37%	38%

vi) Actuarial assumptions

a. Financial assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Discount rate (per annum)	6.49%	6.59%
Salary growth rate (Anand Unit)	7.00%	6.00%
Salary growth rate (Maroli Unit)	10.00%	10.00%

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

b. Demographic Assumptions

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
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%	20.00%
For service 5 years and above	10.00%	10.00%

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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Defined Benefit Obligation (Base)	496.24	389.75

Particulars	(Rs. in Lakhs)			
	As at 31 st March 2021		As at 31 st March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	30.63	(32.27)	25.17	(22.20)
(% change compared to base due to sensitivity)	-93.8%	-106.5%	-93.5%	-105.7%
Salary Growth Rate (- / + 1%)	(31.81)	29.35	(22.00)	24.43
(% change compared to base due to sensitivity)	-106.4%	-94.1%	-105.6%	-93.7%
Employee Turnover Rate (- / + 1%)	3.87	(8.92)	3.80	(3.44)
(% change compared to base due to sensitivity)	-99.2%	-101.8%	-99.0%	-100.9%

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.



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

(Rs. in Lakhs)

- Expected Contribution during the next annual reporting period	As at 31 st March 2021	As at 31 st March 2020
The Company's best estimate of Contribution during the next year	92.22	85.00
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	8 Years	7 Years

(Rs. in Lakhs)

- Expected cash flows over the next (valued on undiscounted basis):	As at 31 st March 2021	As at 31 st March 2020
1 year	75.09	65.71
2 to 5 years	172.63	138.78
6 to 10 years	214.62	161.72
11 and above years	363.88	278.84

f) Related party disclosures

(As per Ind AS 24 : Related party disclosures) :

Names of other related parties and nature of relationship :

Subsidiary Company	H L Equipments
Key Management Personnel :	Executive Directors/ CS / CFO
	Mr. Himanshu Patel (Chairperson and Managing Director)
	Mr. Aalap Patel (Executive Director-Technical)
	Ms. Dhvani Shah (Company Secretary & Compliance Officer)
	Mr. Suryakant Dave (Chief Financial Officer) (27.07.19 to 10.05.20)
	Mr. K V Unnikrishnan (Chief Financial Officer) (20.06.2020 onwards)
	Non-Executive Directors / Independent
	Mr. Nilesh Patel
	Mr. Harsh Patel
	Ms Vijayanti Punjabi
	Mr. Yatish Parekh
	Mr. Sandeep Randery
	Mr. Jayesh Shah
Relatives of Key Management Personnel :	Swara R. Patel (daughter of Mr. Himanshu K Patel)
	Priti H. Patel (spouse of Mr. Himanshu K Patel)
	Sahil H Patel (son of Himanshu K Patel)
	Poonam H Patel (daughter of Himanshu K Patel)
	Hitesh C. Patel (brother in law of Mr. Himanshu K Patel)
	Bhoomi A Patel (spouse of Aalap N Patel)
	Kishori N. Patel (wife of Mr. Nilesh K. Patel)
	Neha N Patel (daughter of Nilesh K Patel)
	Nidhi N Patel (daughter of Nilesh K Patel)
	Sheetal H Patel (spouse of Harsh H Patel)

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Subsidiary Company	H L Equipments
Entities in which directors are interested:	Yashashvi Rasayan Pvt Ltd.
	Yashaswati Foundation
	Yash Speciality Chemicals LLP
	H.N. Indigos Pvt. Ltd
	Maroli Udyog Nagar 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 :	Applied Electrostatics & Controls Private Limited
	Employee Gratuity Fund - HLE Glascoat Limited

Transactions with related parties (excluding reimbursements)

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	Year ended 31 st March 2021	Year ended 31 st March 2020	Year ended 31 st March 2021	Year ended 31 st March 2020
Subsidiary Company				
H. L. Equipments				
Sales of goods/services	1,632.53	1,446.86	(3.62)	(136.84)
Purchase of goods/services	31.01	91.23	-	0.04
Capital introduced	3,633.56	253.04	-	-
Capital withdrawn	1,159.00	610.10	-	-
Capital balance as on year ending	-	-	3,375.10	900.54
Share of profit	779.76	385.47	-	-
Interest on capital	32.19	65.17	-	-
Bank guarantee's facilities provided	200.00	200.00	-	-
Key management personnel :				
Remuneration*	183.66	148.40	13.26	15.11
Commission	73.04	54.18	54.29	37.48
Dividend (Equity shares)	94.61	75.69	-	-
Dividend (Preference shares)	6.42	6.94	-	-
Loan from directors :				
Balance as on year ending	-	-	-	167.86
Loan received	2,675.58	2,617.46	-	-
Loan repaid	2,760.08	3,374.92	-	-
Interest	33.59	57.89	-	52.10
Relatives of KMP :				
Dividend (Equity shares)	145.41	116.32	-	-
Dividend (Preference shares)	9.89	10.69	-	-
Sitting fee	3.90	3.15	-	-
Purchase of goods/services	9.00	-	4.16	-
Remuneration*	-	50.00	-	6.58
Interest on partner capital	-	-	-	-
Interest on unsecured loan	-	27.71	-	15.17
Loan Balance as on year ending	-	-	-	305.27
Loan repaid	235.00	5.86	-	-



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	Year ended 31 st March 2021	Year ended 31 st March 2020	Year ended 31 st March 2021	Year ended 31 st March 2020
Entities in which directors are interested:				
Sales of goods/services	4,157.73	1,029.71	(950.23)	(190.08)
Purchase of goods/services	5.82	648.64	11.37	146.89
Donation for corporate social responsibility activity	59.35	17.76	-	-
Rent expense	-	0.60	-	-
Contract liabilities	-	-	-	17.02
Entities in which relatives of KMP are interested:				
Balance as on year ending	-	-	-	300.00
Interest on unsecured loan	-	27.07	-	6.06
Gratuity fund	40.46	16.66	260.00	290.80

Terms and conditions of transactions with related parties;

*Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: 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.

- 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".
- 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".

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Details of segment information:

(Rs. in Lakhs)

Particulars	Filtration, drying and other equipment		Glass lined equipment		Chemical		Total	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Revenue :								
Total external sales	17,797.15	16,023.62	20,021.24	15,249.65	4,252.72	7,464.74	42,071.11	38,738.01
Segment results :								
Profit/(Loss) before tax and interest	3,772.58	2,703.95	4,193.32	1,884.87	317.24	1,826.48	8,283.14	6,415.30
Less : Other unallocable expense net of unallocable income							190.62	(62.00)
Less: Interest expense							943.35	1,183.38
Profit/(loss) before tax							7,149.17	5,293.92
Taxes							1,914.44	1,475.29
Net profit after tax							5,234.73	3,818.63
Segment assets	20,124.92	13,124.62	15,189.67	13,602.52	2,672.38	5,419.80	37,986.97	32,146.94
Unallocated segment assets							676.16	70.64
Total assets							38,663.13	32,217.58
Segment liabilities	5,527.47	8,086.69	6,202.21	5,660.32	438.69	1,025.27	12,168.37	14,772.28
Unallocated segment liabilities							10,039.27	9,826.70
Total liabilities							22,207.64	24,598.98
Capital expenditure	2,324.62	223.34	1,641.37	536.54	111.02	786.16	4,077.01	1,546.04
Unallocated capital expenditure							-	-
Depreciation	248.27	228.03	419.68	354.45	131.72	135.83	799.67	718.31
Unallocated depreciation							36.88	4.11

Geographic information

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Geographic information		
Revenue from external customers		
India	39,374.55	36,074.27
Outside India	2,696.56	2,663.74
Total	42,071.11	38,738.01

During the year as well previous year, there is one external customer with whom company has earned revenue of more than 10% of its revenue. (Rs. 5,381.32 Lakhs during the current year and Rs. 7,780.69 Lakhs during the year 2019-20)

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Capital employed	16,455.49	7,618.60

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 preceding 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 primarily allocated to the activities which are specified in the Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the company during the year is Rs. 59.35 Lakhs (Previous Year Rs. 26.77 Lakhs).
- Amount spent during the year on:

Particulars	(Rs. in Lakhs)		
	In cash	yet to be paid in cash	Total
1 Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
2 On purposes other than (1) above	59.35	-	59.35
	(17.76)	(-)	(17.76)

Previous Year figures are in brackets

i) Commitment

- Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 833.34 Lakhs (Previous Year Rs. 174.55 Lakhs)

j) Contingent Liabilities not provided for:

- Counter guarantees given to the banks for issuing bank guarantee - Rs. 3,539.16 Lakhs (Previous Year Rs. 4,313.06 Lakhs)
- Letters of Credit issued by the Banks - Rs. 2,138.12 Lakhs (Previous Year Rs. 1,920.03 Lakhs)
- Claims not acknowledged as debts:
 - 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.
 - Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 Lakhs (Previous Year Rs. 14.74 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.19 Lakhs (Previous Year Rs. 5.19 Lakhs).
 - 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 (Previous Year Rs. 5.09 Lakhs).
 - Disputed Service Tax for the period 2013 to 2017 is Rs. 29.48 Lakhs (Previous Year Rs. 29.48 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.16 Lakhs (Previous Year Rs. 5.16 Lakhs).

k) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 4.59 Lakhs (Previous Year - Rs. 4.06 Lakhs).

- Pursuant to the Special Resolution passed at the Extraordinary General Meeting held on 1st December, 2020, the Company has issued and allotted 144,404 equity shares at a price of Rs. 1,385 per share (including premium of Rs. 1,375 per share)

Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

and 5,77,616 Warrants (including Series A and Series B Warrants, each carrying a right exercisable by the Warrant holder to subscribe to one equity share of the Company at a price of Rs. 1,385 per share, including premium of Rs. 1,375 per share) on 10th December, 2020 on preferential allotment basis. The Company has received Rs. 2,000 Lakhs against the equity shares issued and Rs. 2,000 Lakhs as 25% of the Warrant price till the year end.

- The outbreak of the Covid-19 pandemic globally and in India caused slowdown of economic activity in the month of March, 2020. The Company's production was shut down for a few days in March, 2020 as well as in the quarter ended June, 2020. Based on several management actions and general positive outlook among the user industries, the Company continued to grow despite the challenging economic conditions during the financial year ended 31st March, 2021.

Further, during the months of March, 2021 to May, 2021, the country has witnessed a second wave of Covid-19 infections. Due to the restrictions imposed by the authorities, the Company had limitations in operations caused by regional lockdowns, unavailability of oxygen, manpower shortages, logistic issues and other related restrictions. The Company is taking several measures to minimise the financial impact of the second wave of Covid-19 infections.

n) Discontinuing Operations:

a) Description of Discontinuing Operations:

- The Company had chemical manufacturing operations at Plot No.B-1,B-3,B-4 & A-7, Maroli Udhyog Nagar, Maroli, Navsari, Gujarat for manufacture of chemical products.

The company had passed a circular resolution dated 22nd May, 2020 for discontinuing of its chemical unit operations at Maroli.

ii) The Company started disposing of its Assets in the year 2020-21.

b) Business or Geographical segment:

The Discontinuing Unit is engaged only in the manufacture of chemicals.

c) Date & Nature of Initial Disclosure:

The date & nature of such disclosure is described as under:

i) The Company sold some of its plant & machinery in the year 2020-21

d) Date or period in which the discontinuance is expected to be completed if known or determinable:

The management of the Company has already initiated steps towards disposal. However the date or period in which the discontinuation is expected to be completed is not determinable as the process for disposal is in progress as on March 31, 2021.

e) Details of total assets are as under:

Fixed Assets	(Rs. in Lakhs)
	As at 31 st March 2021
Building	528.34
Plant & Machinery	922.61
Total Assets	1,450.95

The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time.

f) The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current financial reporting year are as under :



Notes to the Standalone Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

(Rs. in Lakhs)

Particulars	As at 31 st March 2021
Revenue from operations	4,252.72
Other income	48.75
Depreciation on Assets	164.49
Other Expenses	3,819.74
Profit/(Loss) before tax	317.24

As per Management, only those income & expenses directly attributable to the discontinuing operations are considered for disclosure.

o) Subsequent events post balance sheet date

- i) The Board has recommended dividend @ 40 % (Rs. 4) per equity share and declared dividend @ 9.5% (Rs. 0.76) per preference share at its meeting held on 12th June, 2021.
- ii) The Company has received Rs. 4,000 Lakhs towards the balance payment on 3,85,161 Series A Warrants and has issued and allotted 3,85,161 equity shares at a price of Rs. 1,385 per share, including premium of Rs. 1,375 per share on 5th May, 2021.

p) Previous period's figures have been regrouped and/or rearranged, wherever considered necessary.

This is the Balance Sheet referred to in our report of even date

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Consolidated Financials



Independent Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Member 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, 2021, 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, 2021, 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.

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 Matter	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.	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.

Sr. No.	Key Audit Matter	Our Response
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 2021 taken on record by the Board of Directors, none

of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the 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, 2021.
 - 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, 2021.

For **M. M. NISSIM & CO LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Date: 12th June, 2020

Mem. No.: 036490

Place: Mumbai

UDIN: 21036490AAAAGP5894

Appendix A

Auditor's Responsibilities for the Audit of the 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, 2021, 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.

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, 2021, 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.

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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control with reference to consolidated 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 with reference to consolidated financial statements 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.

For **M. M. NISSIM & CO LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner

Date: 12th June, 2020
Place: Mumbai

Mem. No.: 036490
UDIN: 21036490AAAAGP5894



Consolidated Balance Sheet

as at 31st March 2021

Particulars	Note No.	(Rs. in Lakhs)	
		As at 31 st March 2021	As at 31 st March 2020
Assets			
Non-Current Assets			
Property, plant and equipment	2 (a)	10,860.74	8,938.70
Capital work-in-progress	2 (b)	312.41	1,000.58
Investment property	2 (c)	146.87	-
Right of use assets	2 (d)	612.24	42.82
Other intangible assets	2 (e)	379.55	446.94
Financial assets;			
- Others financial assets	3	73.49	76.66
Other non-current assets	4	423.84	155.03
Current Assets			
Inventories	5	14,764.18	15,345.29
Financial assets;			
- Trade receivables	6	6,918.02	4,410.90
- Cash and cash equivalents	7	1,049.22	132.88
- Bank balances other than cash and cash equivalents	8	1,002.69	846.21
- Loans	9	20.71	31.45
- Others financial assets	3	210.10	623.42
Current tax assets		185.57	180.44
Other current assets	4	751.81	1,298.52
Assets held for sale		-	7.43
TOTAL ASSETS		37,711.44	33,537.27
EQUITY AND LIABILITIES			
Equity			
Equity share capital	SOCE	1,307.55	1,293.11
Other equity	SOCE	12,161.49	6,307.81
Non controlling interest	SOCE	11.84	136.53
Total Equity		13,480.88	7,737.45
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
- Borrowings	10	5,518.59	5,426.80
- Other financial liabilities	11	1.90	1.57
Deferred tax liabilities (net)	12	333.14	342.21
Other non-current liabilities	13	-	14.47
Provisions	14	44.98	40.36
Current Liabilities			
Financial liabilities			
- Borrowings	10	2,155.33	2,937.18
- Trade payables	15		
Outstanding due of micro, small and medium enterprises		567.05	483.34
Outstanding due of creditors other than of micro, small and medium enterprises		6,646.90	7,059.26
- Other financial liabilities	11	2,610.58	2,213.01
Other current liabilities	13	5,221.69	6,695.12
Income tax liabilities		865.36	434.87
Provisions	14	265.04	151.63
Total Liabilities		24,230.56	25,799.82
TOTAL EQUITY AND LIABILITIES		37,711.44	33,537.27
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 and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Consolidated Statement of Profit and Loss

for the Year Ended 31st March 2021

Particulars	Note No.	(Rs. in Lakhs)	
		Year Ended 31 st March 2021	Year Ended 31 st March 2020
INCOME			
Revenue from contract with customers	16	48,448.93	42,640.87
Other income	17	393.32	480.29
TOTAL INCOME		48,842.25	43,121.16
EXPENSES			
Cost of materials consumed	18	23,041.81	22,979.56
Changes in inventories of finished goods and work-in-progress	19	638.18	(1,785.33)
Employee benefits expense	20	3,635.76	3,245.40
Finance costs	21	973.70	1,222.22
Depreciation and amortisation expense	2 (a) & (c) & (d) & (e)	860.99	744.43
Other expenses	22	11,967.73	11,058.38
TOTAL EXPENSES		41,118.17	37,464.66
PROFIT BEFORE TAX		7,724.08	5,656.50
TAX EXPENSE			
Current tax		2,396.05	1,689.14
Deferred tax		(9.07)	63.03
Earlier year adjustments		-	(15.65)
TOTAL TAX EXPENSE		2,386.98	1,736.52
PROFIT FOR THE YEAR		5,337.10	3,919.98
Profit Before Tax for the period from Continuing operations		7,406.84	-
Tax Expense of Continuing Operations		2,292.85	-
Profit for the period from Continuing operations		5,113.99	-
Profit Before Tax for the period from Discontinuing Operations		317.24	-
Tax expense of Discontinuing Operations		94.13	-
Profit for the period from Discontinuing Operations		223.11	-
PROFIT FOR THE YEAR		5,337.10	3,919.98
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(55.79)	(46.49)
Income tax relating to items that will not be reclassified to profit or loss		16.25	13.54
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(39.54)	(32.95)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,297.56	3,887.03
Profit attributable to:			
Owners of the company		5,232.02	3,823.61
Non-controlling interest		105.08	96.37
Other comprehensive income attributable to:			
Owners of the company		(39.54)	(32.95)
Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the company		5,192.48	3,790.66
Non-controlling interest		105.08	96.37
EARNINGS PER EQUITY SHARE	26 (a)		
a. From Continuing Operations			
Basic		39.41	30.31
Diluted		39.41	30.31
b. From Discontinuing Operations			
Basic		1.72	-
Diluted		1.72	-
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 and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212



Consolidated Statement of Changes in Equity

for the Year Ended 31st March 2021

SHARE CAPITAL

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share of Rs. 10/- each	1,80,00,000	1,800.00	1,80,00,000	1,800.00
Preference shares of Rs. 10/- each	26,00,000	260.00	26,00,000	260.00
Issued, Subscribed and Fully Paid-up Equity Share Capital	1,30,75,480	1,307.55	1,29,31,076	1,293.11
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,29,31,076	1,293.11	65,00,000	650.00
Changes in equity share capital during the year:				
Issued during the period	1,44,404	14.44	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	1,30,75,480	1,307.55	1,29,31,076	1,293.11

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 entitled 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 st March 2021		As at 31 st March 2020	
	No.	%	No.	%
Patel Himanshu Khushalbhai	35,95,707	27.50%	35,95,707	27.81%
Patel Nilesh Khushalbhai	36,39,127	27.83%	36,39,127	28.14%
Patel Harsh Himanshubhai	18,59,580	14.22%	18,59,580	14.38%

Consolidated Statement of Changes in Equity (contd.)

for the Year Ended 31st March 2021

OTHER EQUITY

Particulars	Securities Premium	Reserves and Surplus	Retained Earnings	Remeasurements of Defined Benefit Plans	Equity Component of Compound Financial Instrument	Share Suspense Account	Preference Share Capital	Capital Redemption Reserve	Money received against share warrants	Total Other Equity	Share of Non controlling Interest
Balance at the end of the reporting year ending 31 st March 2019	-	(309.95)	1.52	1,795.74	57.58	830.62	-	-	-	3,472.04	95.28
Demerger Adjustment	-	-	-	3,823.61	-	(830.62)	187.52	-	-	(643.10)	-
Profit for the Current Reporting year ending 31 st March 2020	-	-	-	-	-	-	-	-	-	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)	-	-	-	-	-	-	-
Transfer during the year	-	-	-	-	-	-	-	-	-	-	(55.12)
Demerger Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year ending 31st March 2020	-	1,540.05	1.52	3,457.56	24.63	1,096.53	187.52	-	2,000.00	6,307.81	136.53
On issue of Preferential Allotment	1,985.54	-	-	-	-	-	-	-	2,000.00	3,985.54	-
Share Issue Expense Set Off	(35.00)	-	-	-	-	-	-	-	(35.00)	-	-
Transfer to Capital	-	-	-	(37.50)	-	-	-	-	37.50	-	-
Redemption Reserve	-	-	-	-	-	-	(37.50)	-	-	-	-
Other Adjustment	-	-	-	(2,785.00)	-	-	-	-	-	(2,785.00)	-
Contributions towards change in Profit sharing ratio/Call Option Assets	-	-	-	(181.06)	-	-	-	-	-	(181.06)	-
Tax on contributions made for change in Profit sharing ratio	-	-	-	5,232.02	-	-	-	-	-	5,232.02	105.08
Profit for the Current Reporting year ending 31 st Mar 2021	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(39.54)	-	-	-	-	-	(39.54)	-
Total Comprehensive Income for the Reporting year	1,950.54	-	-	2,228.46	(39.54)	37.50	(37.50)	-	2,000.00	6,176.96	105.08
Transactions with owners in their capacity as owners:											
Dividends and Dividend Distribution Tax:											
- Final Dividend	-	-	-	(323.28)	-	-	-	-	-	(323.28)	-
- Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	(2,000.00)	-	-	-	-	-	-	-
Transfer during the year	-	-	-	-	-	-	-	-	-	-	(229.77)
Balance at the end of the reporting year ending 31st March 2021	1,950.54	3,540.05	1.52	3,362.75	(14.91)	1,134.03	150.02	37.50	2,000.00	12,161.49	11.84



Consolidated Statement of Changes in Equity (contd.)

for the Year Ended 31st March 2021

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 instrument	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.
Money received against share warrants	Money against share warrant represents amount received against share warrants pending equity allotment - Refer Note No. 26(l)
Capital Redemption Reserve	Capital Redemption Reserve is created by the company for redemption of preference share from its profits.

This is the Statement of Changes in Equity referred to in our report of even date For and on behalf of the Board

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Consolidated Statement of Cash Flow

for the Year Ended 31st March 2021

(Rs. in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	7,724.08	5,656.50
Adjustment for :		
Depreciation	860.99	744.43
Finance cost (including fair value change in financial instruments)	973.69	1,130.02
Foreign currency transactions and translation gain (net)	-	(5.42)
Provision for doubtful debts/advances	7.19	38.92
Interest income	(56.51)	(63.89)
Dividend income	(0.01)	(0.01)
Deffered income	(14.47)	(42.64)
Bad-debts written off	15.36	-
Remeasurements of defined benefit plans	(55.79)	(46.49)
Net gains on sale of investments	(2.59)	(2.54)
Cessation of liability	(21.46)	(12.67)
Advances written off	-	35.09
Loss/(gain) on sale/disposal of fixed assets	178.48	23.37
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	9,608.96	1,798.17
Trade receivables	(2,431.57)	(1,133.43)
Other non current assets	-	(100.69)
Other current assets	(3,000.22)	564.73
Other financial assets	378.53	(569.59)
Loans and advance	10.71	(19.69)
Inventories	556.41	(2,209.50)
Trade payable	(409.06)	1,112.01
Provisions	109.60	106.80
Other non-current financial liabilities	(2,900.79)	(1.98)
Other non-current liabilities	-	(41.39)
Other current financial liabilities	43.28	238.15
Other liabilities	4,978.50	328.14
CASH GENERATED FROM OPERATIONS	6,944.35	71.73
Direct taxes paid	(2,120.68)	(1,262.77)
NET CASH FROM OPERATING ACTIVITIES	4,823.67	71.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advance	(3,221.37)	(2,268.08)
Proceeds from sale of fixed assets	347.77	(21.76)
Fixed deposits with banks	(138.61)	285.85
Purchase of current investment	(2,376.00)	(870.00)
Proceeds of current investments	2,378.59	872.54
Interest income	92.70	63.89
Dividend income	0.01	0.01
NET CASH USED IN INVESTING ACTIVITIES	(2,916.91)	(1,937.55)



Consolidated Statement of Cash Flow (contd.)

for the Year Ended 31st March 2021

Particulars	(Rs. in Lakhs)	
	Year ended 31 st March 2021	Year ended 31 st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / proceeds from working capital facilities (Net)	(781.84)	(1,685.35)
Proceeds from long-term borrowings	41.67	764.33
Proceeds from issue of share capital/share warrants	3,999.99	-
Proceeds/(repayments) of term loans	555.96	(821.33)
Redemption of preference share	(747.73)	-
Changes in financial liabilities	-	(90.00)
Interest paid	(704.57)	(839.37)
Net movement in capital /equity	(2,800.85)	-
Dividend and corporate dividend tax	(323.28)	(312.89)
Withdrawal by Non controlling interest	(229.77)	(55.12)
	(3,039.73)	
NET CASH FROM FINANCING ACTIVITIES	(990.42)	(3,039.73)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	916.34	(511.82)
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020	132.88	644.70
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021	1,049.22	132.88
Cash and Cash Equivalents (Note 7)	1,049.22	132.88

Notes to cash flow statement:

- The above cash flow statement has been prepared under the indirect method.
- Reconciliation of financing liabilities:

	31.03.2021	31.03.2020
Opening Balance	10,001.47	11,453.17
Cash inflow/ (outflow) of non-current borrowings	104.03	233.65
Cash inflow / (outflow) of current borrowings	(781.86)	(1,685.35)
Closing Balance	9,323.64	10,001.47

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 LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212

Notes to the Consolidated Ind AS Financial Statements

for the Year Ended 31st March 2021

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:

- 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.
- Other Engineering Equipment - Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.
- 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.

B) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these Consolidated 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 2021 is as follows:

- H L Equipments - Partnership Firm - 99%

iii. Basis of preparation and presentation

The Consolidated 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.



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- a) Certain financial assets/liabilities measured at fair value (refer Note 25) 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 Consolidated 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, 2021 were authorised for issue in accordance with a resolution of the directors on 12th June, 2021.

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))

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Consolidated 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 Consolidated 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

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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/discharged 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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Consolidated Financial Statements of Group are presented in INR, which is also the functional currency. In preparing the Consolidated 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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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



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for the Year Ended 31st March 2021

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 cost 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 expense 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

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Consolidated 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

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Consolidated 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 financial 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 financial 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

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for the Year Ended 31st March 2021

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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

b) Financial Liabilities

The Group'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. Financial liabilities have not been designated upon initial recognition at FVTPL.

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 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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

2 (A) PROPERTY, PLANT AND EQUIPMENT

Particulars	(Rs. in Lakhs)										Total	
	Freehold Land	Buildings	Plant and equipment	Windmill	Tools and Equipments	Electric Installation and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers		
Gross Block												
Carrying value as at 31 st March 2019	247.03	2,626.52	4,732.34	536.91	251.36	296.14	127.00	349.51	101.61	117.27	9,385.69	
Additions	-	202.84	1,016.91	-	94.71	114.08	1.73	174.71	41.34	17.45	1,663.77	
Disposals	-	-	(107.70)	-	-	(0.30)	-	(2.75)	(0.59)	(20.78)	(132.13)	
Carrying value as at 31 st March 2020	247.03	2,829.36	5,641.54	536.91	346.07	409.92	128.73	521.47	142.36	113.94	10,917.33	
Additions	1,446.53	990.25	782.86	-	72.45	40.22	68.72	43.01	26.91	23.96	3,494.91	
Transfer to Investment Property	(153.17)	-	-	-	-	-	-	-	-	-	(153.17)	
Disposals	-	(38.24)	(1,118.14)	-	-	(29.60)	-	(23.99)	(0.94)	-	(1,210.91)	
Carrying value as at 31st March 2021	1,693.56	3,628.20	5,306.26	536.91	418.52	420.54	197.45	540.49	168.33	137.90	13,048.16	
Depreciation Block												
Accumulated depreciation / Amortisation as at the 31 st March 2019	280.29	418.30	246.65	38.33	69.35	40.95	170.92	56.64	73.19	1,394.62		
Depreciation / Amortisation for the year	-	100.07	373.78	14.20	41.95	33.68	13.91	53.65	19.88	22.03	673.15	
Additions due to ind AS adjustment	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	(66.29)	-	-	(0.19)	-	(1.97)	(0.08)	(20.61)	(89.14)	
Accumulated depreciation / Amortisation as at the 31 st March 2020	-	380.36	725.79	260.85	80.28	102.84	54.86	222.60	76.44	74.61	1,978.63	
Depreciation / Amortisation for the year	-	111.31	414.35	14.20	48.46	42.54	15.01	64.86	22.41	18.62	751.76	
Transfer to Investment Property	(1.45)	-	-	-	-	-	-	-	-	-	(1.45)	
Disposals	-	(18.74)	(493.74)	-	-	(12.21)	-	(15.94)	(0.89)	(0.00)	(541.52)	
Accumulated depreciation / Amortisation as at the 31st March 2021	-	471.48	646.40	275.05	128.74	133.17	69.87	271.52	97.96	93.23	2,187.42	
Net Block												
As at 31 st March 2020	247.03	2,449.00	4,915.75	276.06	265.79	307.08	73.87	298.87	65.92	39.33	8,938.70	
As at 31 st March 2021	1,693.56	3,156.72	4,659.86	261.86	289.78	287.37	127.58	268.97	70.37	44.67	10,860.74	

Note:

- The amount of borrowing cost capitalised during the year ended 31st March 2021- Rs. 42.48 Lakhs (Previous Year Rs. 8.47 Lakhs)

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for the Year Ended 31st March 2021

2 (B). CAPITAL WORK-IN-PROGRESS

	(Rs. in Lakhs)
As at 31 st March 2020	1,000.58
As at 31st March 2021	312.41

Particulars	(Rs. in Lakhs)				
	Note 2 (c) : Investment Property		Note 2 (d) : Right of use asset		Note 2 (e) : Intangible Assets
	Buildings	Land	Computer Software	Technical Know How	Total
Gross Block					
Carrying value as at 31 st March 2019	-	-	77.73	585.50	663.23
Additions	-	-	19.76	-	19.76
Transfer from prepaid lease rental	-	43.42	-	-	-
Disposals	-	-	-	-	-
Carrying value as at 31 st March 2020	-	43.42	97.49	585.50	682.99
Additions	-	600.98	5.46	-	5.46
Disposals	-	-	-	-	-
Carrying value as at 31st March 2021	153.17	644.40	102.95	585.50	688.45
Depreciation Block					
Accumulated depreciation / Amortisation as at the 31 st March 2019	-	-	33.79	131.58	165.37
Depreciation / Amortisation for the year	-	0.60	13.79	56.89	70.68
Disposals	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 st March 2020	1.45	0.60	47.58	188.47	236.05
Depreciation / Amortisation for the year	4.85	31.57	16.12	56.73	72.85
Disposals	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31st March 2021	6.30	32.16	63.69	245.21	308.90
Net Block					
As at 31 st March 2020	-	42.82	49.91	397.03	446.94
As at 31st March 2021	146.87	612.24	39.25	340.30	379.55

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for the Year Ended 31st March 2021

3. OTHER FINANCIAL ASSETS (SECURED, CONSIDERED GOOD)

Particulars	(Rs. in Lakhs)			
	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Bank deposits with more than 12 months maturity	6.20	6.20	-	-
Others:				
Security deposits	67.29	70.46	3.34	3.34
Interest accrued on loans and deposits	-	-	28.59	33.01
Advance recoverable in cash or kind	-	-	-	4.05
Export benefit receivable (Duty drawback)	-	-	49.26	454.11
IT refund receivable	-	-	128.91	128.91
Total	73.49	76.66	210.10	623.42

4. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	(Rs. in Lakhs)			
	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Capital advances	423.65	154.84	-	-
Advances other than capital advances;	-	-	-	36.06
Advances to employees	-	-	0.32	0.31
Advances to suppliers	-	-	437.26	384.06
Considered doubtful	-	-	-	22.39
Less:- Provision for doubtful advances	-	-	-	(22.39)
Advances to branch	-	-	-	-
Sub Total	423.65	154.84	437.58	420.43
Others				
Balance with govt. authorities	-	-	238.94	812.46
Balance with govt. authorities (considered doubtful)	-	-	9.44	-
Less:- Provision for doubtful advances	-	-	(9.44)	-
Prepaid expenses	0.19	0.19	75.29	65.63
Sub Total	0.19	0.19	314.23	878.09
Total	423.84	155.03	751.81	1,298.52

5. INVENTORIES

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Raw materials	5,714.69	5,951.39
Work-in-progress	7,250.23	7,564.01
Finished goods	1,163.18	1,488.26
Stores and spares	636.08	341.63
Total	14,764.18	15,345.29



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for the Year Ended 31st March 2021

6. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade receivables		
Unsecured, considered good #	6,918.02	4,410.90
Doubtful	54.64	30.50
Less: Impairment provision on expected credit loss model	(54.64)	(30.50)
Total	6,918.02	4,410.90

#of the above, trade receivable due from related party Rs. 991.16 (Previous Year Rs. 231.01 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.

7. CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balances with banks (of the nature of cash and cash equivalents)	1,047.58	128.93
Cash on hand	1.64	3.95
Total	1,049.22	132.88

8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Margin money deposits with a bank	907.62	769.00
Others:		
Unclaimed dividend account	95.07	77.21
Total	1,002.69	846.21

9. LOANS

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Loans to employees	20.71	31.45
Total	20.71	31.45

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for the Year Ended 31st March 2021

10. BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
NON CURRENT		
Secured		
Term loans;		
- from banks and financial institution	3,702.97	3,117.57
Interest accrued on term loan	23.25	34.57
Preference share liability		
18,75,152 9.50% redeemable preference shares of Rs. 8 each (previous year Rs. 10 each)	1,792.37	2,274.66
Sub - Total	5,518.59	5,426.80
CURRENT		
Secured		
Loans repayable on demand		
- from banks and financial institution	1,980.33	1,915.72
Unsecured		
Loan from directors (refer note no.26 f)	-	167.86
Loan from relatives of directors (refer note no.26 f)	-	305.27
Inter corporate loan (refer note no.26 f)	-	300.00
From others	175.00	175.00
Interest accrued on unsecured loan	-	73.33
Sub - Total	2,155.33	2,937.18
Total	7,673.92	8,363.98

Non-Current Borrowings

- 1) Term loan taken from RBL Bank are 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 other banks). Entire facilities obtained from RBL Bank are secured by creation of collateral security by Equitable Mortgage by way of first pari passu charge over specific immovable properties owned by the Company, director, and subsidiary company and equitable mortgage by way of second charge on specific property owned by the directors of the Company. The loan is also secured by personal guarantees of the directors. The loan is repayable in 54 equal monthly installments commencing from December, 2016, and carries an interest rate of 12.50% p.a. (March 31, 2020: 12.50% p.a).
- 2) Term loan from Bajaj Finance Limited is secured by hypothecation of specific immovable property owned by the director. The loan is repayable in 84 quarterly installments commencing from November, 2017 and carries an interest rate of 10.25% p.a. (March 31, 2020: 10.75% p.a) payable on monthly basis.
- 3) Term loan from Citibank NA is secured by hypothecation charge over specific plant and machinery acquired out of the term loan and further secured by pari passu equitable mortgage of building and other fixed assets of the Company, and specific immovable property owned by the director. Repayment in 16 equal quarterly installment beginning from April, 2022 and carries an interest rate of 8.25% p.a. (March 31, 2020: N.A.)
- 4) Term loan from State Bank of India is secured by hypothecation charge over specific plant and machinery, present and future, acquired out of the term loan and further secured by pari passu equitable mortgage of building and other fixed assets of the Company. Repayable in 60/ 78/48 installments beginning April, 2016, October, 2019 and October, 2020 respectively. Interest @ 1/ 1.25/ 2% above MCLR-1Y with a minimum of 9.55/9.8/10.05% p.a. (March 31, 2020: 9.55/9.80/10.05%) respectively rising or falling therewith, on daily product with monthly rests.



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- 5) Vehicle loans taken from HDFC Bank are secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly installments from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 9.50% p.a and 8.50% p.a. (March 31, 2020: 9.50% p.a., 8.70% p.a.)
- 6) Vehicle loans taken from financial institution are secured by hypothecation of related vehicles taken on loan. Each loan is repayable in equal monthly installments from the month subsequent to the disbursement of the loan. The interest is payable on monthly basis at 11.05% p.a. [March 31, 2020: 11.05% p.a.]
- 7) Pursuant to the order of the National Company Law Tribunal, Ahmedabad Bench dated 18th November, 2019, the Company has cancelled 32,25,953 equity shares. In lieu of the cancelled shares, the Company has issued 18,75,152 9.5% Cumulative Redeemable Preference Shares of Rs. 8/- each (previous year Rs. 10/- each). Each Preference Share is entitled for cumulative preference dividend of 9.5% p.a. and redeemable in five equal annual installments starting from June, 2020.
- 8) The charges created in favour of the Bankers by way of Equitable Mortgage with pari passu charge over the immovable properties of Shri Himanshu K Patel, Director are Land located in Nadod bearing Survey No/Block No 140/A plot no 1 and 3, Building located in Navsari in Sahil Flat No 703 and Land located in Surat bearing Survey No 61.

Current Borrowings

- 1) Working capital facilities including packing credit and foreign bill discounting from RBL Bank are secured by hypothecation by way of pari passu charge on all stocks, book debts, plant and machinery (except plant and machinery which are funded against term loan availed from other banks), 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, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the directors of the Company. The rate of interest for cash credit is 9.65% (MCLR+1%) [March 31, 2020: 10.45% (MCLR+1%)] and for other facilities is LIBOR plus 250 bps [March 31, 2020: LIBOR plus 250 bps]
- 2) Working capital facilities including packing credit and foreign bill discounting from HDFC Bank are secured by hypothecation by way of pari passu charge on all present and future stocks and book debts. The 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, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the director of the Company. The rate of interest for cash credit is 9.55% (MCLR+2.35%) p.a. [March 31, 2020: 10.05% (MCLR+2.35%) p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2020: LIBOR plus 250 bps].
- 3) Working capital facilities from Citibank are secured by hypothecation by way of pari passu charge on all present and future stocks and book debts. The entire facilities obtained from Citibank are secured by collateral security by way of Equitable Mortgage along with pari passu charge with HDFC Bank and State Bank of India over immovable properties owned by the Company, director and subsidiary and equitable mortgage by way of second charge on specific property owned by the director of the Company. The rate of interest for cash credit is 9.25% (MCLR+2.95%) p.a.
- 4) Working capital loan from State Bank of India 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 8.00% p.a. [March 31, 2020: 1% above MCLR-1Y with a minimum of 9.05% p.a.] rising or falling therewith, on daily products with monthly rests.
- 5) The unsecured loans from directors and relatives are carrying an interest @ 9% p.a., [March 31, 2020: 9% p.a.] re-payable on demand.
- 6) The charges created in favour of the Bankers by way of Equitable Mortgage with pari passu charge over the immovable properties of Shri Himanshu K Patel, Director are Land located in Nadod bearing Survey No/Block No 140/A plot no 1 and 3, Building located in Navsari in Sahil Flat No 703 and Land located in Surat bearing Survey No 61.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

11. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Current maturities of long-term debt	-	-	1,649.72	1,637.49
Interest accrued	-	-	14.66	-
Unclaimed dividends	-	-	95.07	77.21
Others :				
Security deposit	1.90	1.57	2.05	5.08
Employee related payable	-	-	396.73	337.37
Capital creditors	-	-	292.64	133.58
Lease liability	-	-	159.71	22.28
Total	1.90	1.57	2,610.58	2,213.01

12. DEFERRED TAX LIABILITIES - (NET)

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Deferred Tax Liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE, Intangibles and lease hold	1,174.93	1,201.22
Deferred Tax Asset:		
Accrued expenses allowable on actual payment	(32.93)	(50.15)
MAT Credit	(808.86)	(808.86)
Total	333.14	342.21

13. OTHER LIABILITIES

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Contract liability (advance from customers) #	-	-	4,778.86	6,391.50
Other advances	-	-	-	10.95
Statutory dues	-	-	289.95	107.93
Liabilities for expenses	-	-	152.88	184.74
Unamortised govt. grant	-	14.47	-	-
Total	-	14.47	5,221.69	6,695.12

of the above, advance from related party Rs. Nil (Previous Year Rs. 17.02 Lakhs) (refer note no.26 f)



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

During the year ended 31st March, 2021, the company has recognised revenue of Rs. 6086.39 Lakhs (Previous Year Rs. 5783.10 Lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under;

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
As at beginning of the year	6,391.50	5,988.61
Recognised as revenue from contracts with customers	6,086.39	5,783.10
Advance returned back to customer	7.59	-
Advance from customers received during the year	4,481.34	6,185.99
Balance at the close of the year	4,778.86	6,391.50

14. PROVISIONS

Particulars	(Rs. in Lakhs)			
	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Provision for employee benefits		-		
Gratuity	-	-	160.06	98.95
Leave benefits	44.98	40.36	24.21	13.21
Provision for unexpired warranty	-	-	80.77	39.47
Total	44.98	40.36	265.04	151.63

Movement of Provision for unexpired warranty

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Opening balance	39.47	5.72
Add: Additional provision made during the year	51.41	38.80
Less: Provision amount used during the year	10.11	5.05
Closing balance	80.77	39.47

Movement of Provision for employee benefits

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Opening balance	152.52	79.47
Add: Additional provision made during the year	149.59	123.00
Less: Provision amount used during the year	72.86	49.95
Closing balance	229.25	152.52

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

15. TRADE PAYABLES

Particulars	(Rs. in Lakhs)	
	Current	
	As at 31 st March 2021	As at 31 st March 2020
Outstanding due of micro, small and medium enterprises	567.05	483.34
Outstanding due of creditors other than of micro, small and medium enterprises	6,646.90	7,059.26
Total	7,213.95	7,542.60
Of the above;		
- Acceptances	1,112.78	1,415.98
- Payable to related party Rs. 11.37 Lakhs (Previous Year Rs. 146.89 Lakhs) (Refer Note 26 f)		

16. REVENUE FROM CONTRACT WITH CUSTOMERS

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Revenue from operations		
Sale of goods	47,392.23	41,655.25
Sale of services	749.12	727.23
Other operating revenues:		
Scrap sales	290.65	254.94
Miscellaneous	16.93	3.46
Total	48,448.93	42,640.87

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Gross Sales (Contracted Price)	47,416.10	41,696.65
Reductions towards variable consideration (Discounts & delayed delivery charges)	23.87	41.40
Revenue recognised	47,392.23	41,655.25

17. OTHER INCOME

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Interest income	56.74	63.89
Rent income	58.00	6.50
Dividend income	0.01	0.01
Export incentives	102.02	101.61
Net gains on sale of investments	2.59	2.54
Net gain on foreign currency transaction	-	5.42
Net gain on sale of property, plant and equipment	31.51	6.31
Deferred income	14.47	42.64
Cessation of liability	21.24	12.67
Income from windmill	86.91	140.04
Miscellaneous income	19.83	98.66
Total	393.32	480.29



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

18. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Opening stock of raw materials	5,951.35	5,512.37
Purchases during the year	22,805.15	23,418.58
Closing stock of raw materials	(5,714.69)	(5,951.39)
Total	23,041.81	22,979.56

19. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Closing stock:		
Finished goods	1,163.18	1,488.26
Work-in-progress	7,250.23	7,564.01
	9,051.59	7,266.94
Less: Opening stock:		
Finished goods	1,488.26	1,128.88
Work-in-progress	7,563.33	6,138.06
Total	638.18	(1,785.33)

20. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Salaries and wages	3,297.22	2,993.81
Contribution to provident, gratuity and other funds	153.14	120.71
Staff welfare expenses	185.40	130.88
Total	3,635.76	3,245.40

21. FINANCE COSTS

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Interest on loans	389.40	459.90
Interest on working capital facilities	195.16	291.32
Interest - others	7.53	42.11
Interest on unsecured loan	57.59	112.67
Other	25.61	-
Interest cost - partner's capital	0.38	6.86
Dividend on redeemable preference share	15.14	21.48
Other borrowing costs:		
Unwinding of discount relating to long term liabilities	282.89	287.88
Total	973.70	1,222.22

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

22. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Stores and spares consumed	1,973.10	1,785.70
Power and fuel	1,745.19	2,248.90
Processing expenses	4,452.23	3,870.67
Rent	26.60	19.64
Rates and taxes	274.09	27.85
Insurance expenses	91.05	76.67
Printing and stationery	31.16	32.58
Repairs and renewals:		
Buildings	151.55	92.51
Plant and machinery	273.43	370.46
Other assets	23.02	21.72
Travelling and conveyance	109.49	85.58
Communication expenses	40.82	34.53
Vehicle expenses	79.64	58.83
Auditors' remuneration:		
Statutory audit fees	21.35	15.85
Tax audit fees	2.10	2.00
Other fees	5.50	0.54
Sub-Total	28.95	18.39
Director's sitting fee	3.90	3.15
Director's travelling	5.77	33.41
Sales promotion expenses	7.00	24.78
Bad debts written-off	15.36	-
Donation	1.52	1.63
Corporate social responsibility expense (Refer note 26 h)	59.35	17.76
Security expenses	72.34	61.26
Commission	408.88	444.76
Freight and forwarding (Net)	835.43	763.10
Drawings and installation charges	75.93	51.73
Partners' remuneration	18.00	18.00
Laboratory expense	26.53	25.14
Packing expenses	21.27	59.51
Pollution control exp	90.67	86.45
Provision for doubtful advances /debts	7.19	38.92
Advance written off	-	35.09
Bank charges	87.61	110.93
Net loss on foreign currency translation and transaction	16.68	-
Net loss on sale of property, plant and equipment	-	11.68
Net loss on Impairment of property, plant and equipment	209.99	-
Loss on derecognition of asset	-	18.00
Legal and professional fees	369.50	287.32
Retainership expenses	35.44	-
Office expenses	1.67	-
Inventory write-off	55.56	-
Warranty expense	57.64	39.97
Miscellaneous expenses	184.18	181.76
Total	11,967.73	11,058.38

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

23. 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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Interest bearing loans and borrowings	7,168.31	7,064.29
Less: Cash and short term deposits	2,051.91	979.09
Net debt	5,116.40	6,085.20
Equity	1,307.55	1,293.11
Other equity	12,161.49	6,307.81
Total capital	13,469.04	7,600.92
Capital and net debt	18,585.44	13,686.12
Gearing ratio %	27.53%	44.46%

23. B. FINANCIAL RISK MANAGEMENT

The group'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 group. 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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Fixed-rate instruments		
Borrowings	9,323.64	10,001.47

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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.

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	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
More than 6 months	1,200.21	399.14
Others	5,717.81	4,011.76
Total	6,918.02	4,410.90

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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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	(Rs. in Lakhs)			
						FVTPL	FVTOCI	Amortised Cost	Total
Borrowings	10 & 11	3,818.47	4,980.03	525.14	-	-	-	-	-
		(4,574.67)	(4,241.01)	(1,185.79)	-	-	-	-	-
Trade payable	15	7,213.95	-	-	-	-	-	-	-
		(7,542.60)	-	-	-	-	-	-	-
Security deposit	11	2.05	1.90	-	-	-	-	-	-
		(5.08)	(1.57)	-	-	-	-	-	-
Employee benefit/ expense liabilities	11	396.73	-	-	-	-	-	-	-
		(337.37)	-	-	-	-	-	-	-
Unclaimed dividends	11	95.07	-	-	-	-	-	-	-
		(77.21)	-	-	-	-	-	-	-
Others	11	452.35	-	-	-	-	-	-	-
		(155.86)	-	-	-	-	-	-	-

Figures in brackets are in respect of previous year

24. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Accounting profit before income tax	7,724.08	5,656.50
At India's statutory income tax rate of 32.91% (31 March, 2020: 31.60%)	2,541.91	1,787.71
Effect of exempt / lower tax non-operating income	(242.37)	(132.03)
Effect of non-deductible expenses	96.50	33.46
Changes in recognised deductible temporary differences	(9.06)	63.03
Earlier year tax adjustments	-	(15.65)
Total	2,386.98	1,736.52

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.

31 st March 2021	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	-	-	6,918.02	6,918.02	-	-	6,918.02	6,918.02
Loans	9	-	-	20.71	20.71	-	-	20.71	20.71
Others financial assets	3	-	-	283.59	283.59	-	-	283.59	283.59
Cash and cash equivalents	7	-	-	1,049.22	1,049.22	-	-	1,049.22	1,049.22
Bank balances other than above	8	-	-	1,002.69	1,002.69	-	-	1,002.69	1,002.69
Total		-	-	9,274.23	9,274.23	-	-	9,274.23	9,274.23

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

31 st March 2021	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 liabilities									
Borrowings	10	-	-	9,323.64	9,323.64	-	9,323.64	-	9,323.64
Trade Payables	15	-	-	7,213.95	7,213.95	-	-	7,213.95	7,213.95
Other Financial Liabilities	11	-	-	962.76	962.76	-	-	962.76	962.76
Total		-	-	17,500.35	17,500.35	-	9,323.64	8,176.71	17,500.35

31 st 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
Total		-	-	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	15	-	-	7,542.60	7,542.60	-	-	7,542.60	7,542.60
Other financial liabilities	11	-	-	577.09	577.09	-	-	577.09	577.09
Total		-	-	18,121.16	18,121.16	-	10,001.47	8,119.69	18,121.16

25 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.

- The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
- 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.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

26. ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Profit after taxation		
Profit for the period from Continuing operations	5,113.99	3,919.98
Profit for the period from Discontinuing Operations	223.11	-
Weighted average number of equity shares for the purpose of basic earnings per share (nos in Lakhs)	1,29,74,991	1,29,31,076
Earnings per share		
a. From Continuing Operations		
Basic	39.41	30.31
Diluted	39.41	30.31
b. From Discontinuing Operations		
Basic	1.72	-
Diluted	1.72	-

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:

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
(i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year	567.05	483.34
(ii) Interest accrued and due to suppliers on above amount, unpaid	7.83	14.29
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	0.05	-
(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
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	7.83	14.52
(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	14.24	14.82

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Not applicable)

d) Expenditure on Research and Development

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Revenue expenditure:		
Employee benefit expenses	120.33	76.50
Labour charges	21.50	23.56
Power and fuel	17.14	16.81
Repair & maintenance	28.29	30.91
Freight and forwarding expenses	0.23	0.06
Travelling and conveyance	0.00	0.03
Legal & professional fees	0.65	0.00
Laboratory expense	9.82	8.39
Miscellaneous expenses	0.14	0.01
Sub- Total	198.10	156.27
Capital expenditure:		
R & D Plant and Machinery	78.46	116.19
R & D Computers	0.31	0.38
R & D Furniture & Fixtures	0.00	5.44
Sub- Total	78.77	122.01
Total	276.87	278.28

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:

(Rs. in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
i) Employer's contribution to provident fund	80.06	64.77
*Included in "contribution to provident and other funds" (Note 21).		
ii) Leave encashment - unfunded	43.11	14.23

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

iii) Defined benefit obligation:

a) The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

i) Changes in the present value of obligation

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Present value of obligation as at the beginning	389.75	314.69
Current service cost	39.28	31.98
Interest expense or cost	25.68	23.03
Liability transfer out		
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	14.85	23.95
- experience variance (i.e. actual experience vs assumptions)	45.43	20.99
Past service cost		
Benefits paid	(18.74)	(24.89)
Present value of obligation as at the end	496.24	389.75

ii) Changes in the fair value of plan assets

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Fair value of plan assets as at the beginning	290.80	280.10
Investment income	19.16	20.47
Return on plan assets excluding interest income	4.48	(1.55)
Employer's contribution	40.47	16.66
Benefits paid	(18.74)	(24.88)
Fair value of plan assets as at the end	336.17	290.80

iii) Expenses recognised in the income statement

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Current service cost	39.28	31.98
Net interest cost / (income) on the net defined benefit liability / (asset)	6.52	2.55
Expenses recognised in the income statement	45.80	34.53

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

iv) Other comprehensive income

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Actuarial (gains) / losses	-	-
- change in financial assumptions	14.85	23.95
- change in demographic assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	45.43	20.99
Adjustment of present value of obligation at the beginning of the year	-	-
Return on plan assets excluding interest income	(4.48)	1.55
Components of defined benefit costs recognised in other comprehensive income	55.79	46.49

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Funds managed by insurer	100%	100%
Investment in insurance company		
Life Insurance Corporation of India	16%	14%
Reliance (Nippon Life insurance)	47%	47%
Bajaj Allianz	37%	38%

vi) Actuarial assumptions

a. Financial assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Discount rate (per annum)	6.49%	6.59%
Salary growth rate (Anand Unit)	7.00%	6.00%
Salary growth rate (Maroli Unit)	10.00%	10.00%

b. Demographic Assumptions

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
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%	20.00%
For service 5 years and above	10.00%	10.00%



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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:

(Rs. in Lakhs)

Particulars	As at	
	31 st March 2021	31 st March 2020
Defined Benefit Obligation (Base)	496.24	389.75

(Rs. in Lakhs)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	30.63	(32.27)	25.17	(22.20)
(% change compared to base due to sensitivity)	-93.8%	-106.5%	-93.5%	-105.7%
Salary Growth Rate (- / + 1%)	(31.81)	29.35	(22.00)	24.43
(% change compared to base due to sensitivity)	-106.4%	-94.1%	-105.6%	-93.7%
Employee Turnover Rate (- / + 1%)	3.87	(8.92)	3.80	(3.44)
(% change compared to base due to sensitivity)	-99.2%	-101.8%	-99.0%	-100.9%

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.

(Rs. in Lakhs)

- Expected Contribution during the next annual reporting period	As at	
	31 st March 2021	31 st March 2020
The Company's best estimate of Contribution during the next year	92.22	85.00
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	8 Years	7 Years

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

(Rs. in Lakhs)

- Expected cash flows over the next (valued on undiscounted basis):	As at	
	31 st March 2021	31 st March 2020
1 year	75.09	65.71
2 to 5 years	172.63	138.78
6 to 10 years	214.62	161.72
11 and above years	363.88	278.84

f) Related party disclosures

(As per Ind AS 24 : Related party disclosures) :

Names of other related parties and nature of relationship :

Subsidiary Company	H L Equipments
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Key Management Personnel :

Executive Directors/ CS / CFO

Mr. Himanshu Patel (Chairperson and Managing Director)
 Mr. Aalap Patel (Executive Director-Technical)
 Ms. Dhvani Shah (Company Secretary & Compliance Officer)
 Mr. Suryakant Dave (Chief Financial Officer) (27.07.19 to 10.05.20)
 Mr. K V Unnikrishnan (Chief Financial Officer) (20.06.2020 onwards)

Non-Executive Directors / Independent

Mr. Nilesh Patel
 Mr. Harsh Patel
 Ms Vijayanti Punjabi
 Mr. Yatish Parekh
 Mr. Sandeep Randery
 Mr. Jayesh Shah

Relatives of Key Management Personnel :

Swara R. Patel (daughter of Mr. Himanshu K Patel)
 Priti H. Patel (spouse of Mr. Himanshu K Patel)
 Sahil H Patel (son of Himanshu K Patel)
 Poonam H Patel (daughter of Himanshu K Patel)
 Hitesh C. Patel (brother in law of Mr. Himanshu K Patel)
 Bhoomi A Patel (spouse of Aalap N Patel)
 Kishori N. Patel (wife of Mr. Nilesh K. Patel)
 Neha N Patel (daughter of Nilesh K Patel)
 Nidhi N Patel (daughter of Nilesh K Patel)
 Sheetal H Patel (spouse of 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 Udyog Nagar 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 :

Applied Electrostatics & Controls Private Limited
 Employee Gratuity Fund - HLE Glascoat Limited



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Transactions with related parties (excluding reimbursements)

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	Year ended 31 st March 2021	Year ended 31 st March 2020	Year ended 31 st March 2021	Year ended 31 st March 2020
Key management personnel :				
Remuneration*	183.66	148.40	13.26	15.11
Commission	73.04	54.18	54.29	37.48
Dividend (Equity shares)	94.61	75.69	-	-
Dividend (Preference shares)	6.42	6.94	-	-
Interest	(1.39)	5.60	-	-
Loan from directors :				
Balance as on year ending	-	-	-	167.86
Loan received	2,675.58	2,617.46	-	-
Loan repaid	2,760.08	3,374.92	-	-
Interest	33.16	57.89	-	52.10
Relatives of KMP :				
Dividend (Equity shares)	145.41	116.32	-	-
Dividend (Preference shares)	9.89	10.69	-	-
Sitting fee	3.90	3.15	-	-
Purchase of goods/services	9.00	-	4.16	-
Remuneration*	18.00	68.00	-	6.58
Interest	0.80	28.97	-	15.17
Loan Balance as on year ending	-	-	-	305.27
Loan repaid	235.00	5.86	-	-
Entities in which directors are interested:				
Sales of goods/services	4,157.73	1,029.71	(991.16)	(231.01)
Purchase of goods/services	5.82	648.64	11.37	146.89
Donation for corporate social responsibility activity	59.35	17.76	-	-
Rent expense	-	0.60	-	-
Contract liabilities	-	-	-	17.02
Entities in which relatives of KMP are interested:				
Balance as on year ending	-	-	-	300.00
Interest on unsecured loan	-	27.07	-	6.06
Gratuity fund	40.46	16.66	260.00	290.80

Terms and conditions of transactions with related parties;

*Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: 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.

The gratuity fund is in the old company name, this is because of merger between Yashashvi Rasayan Private Limited & HLE Engineers Private Limited and thereafter merger between HLE Engineers Private Limited & HLE & Swiss Glascoat Equipments Ltd. and the merging of gratuity funds is under process.

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

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 Udyog Nagar, 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.

- 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".
- 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	
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Revenue :								
Total external sales	24,174.97	19,926.48	20,021.24	15,249.65	4,252.72	7,464.74	48,448.93	42,640.87
Segment results :								
Profit/(Loss) before tax and interest	4,377.84	3,105.37	4,193.32	1,884.87	317.24	1,826.48	8,888.40	6,816.72
Less: Other unallocable expense net of unallocable income							190.62	(62.00)
Less: Interest expense							973.70	1,222.22
Profit/(loss) before tax							7,724.08	5,656.50
Taxes							2,386.98	1,736.52
Net profit after tax							5,337.10	3,919.98
Segment assets	19,173.23	14,444.31	15,189.67	13,602.52	2,673.68	5,419.80	37,036.58	33,466.63
Unallocated segment assets							674.86	70.64
Total assets							37,711.44	33,537.27
Segment liabilities	7,375.39	9,112.53	6,202.21	5,660.32	438.69	1,025.27	14,016.29	15,798.12
Unallocated segment liabilities							10,214.27	10,001.70
Total liabilities							24,230.56	25,799.82
Capital expenditure	2,348.94	360.83	1,641.37	536.54	111.02	786.16	4,101.33	1,683.53
Unallocated capital expenditure							-	-
Depreciation	272.71	250.04	419.68	354.45	131.72	135.83	824.11	740.32
Unallocated depreciation							36.88	4.11
Total Depreciation							860.99	744.43

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

Geographic information

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Geographic information		
Revenue from external customers		
India	45,748.84	39,977.13
Outside India	2,700.09	2,663.74
Total	48,448.93	42,640.87

During the year as well previous year, there is one external customer with whom company has earned revenue of more than 10% of its revenue. (Rs. 5,525.27 Lakhs during the current year and Rs. 8,844.37 Lakhs during the year 2019-20)

Particulars	(Rs. in Lakhs)	
	As at 31 st March 2021	As at 31 st March 2020
Capital employed	13,480.88	7,737.45

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 preceding 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 primarily allocated to the activities which are specified in the Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the company during the year is Rs. 59.35 Lakhs (Previous Year Rs. 26.77 Lakhs).
- Amount spent during the year on:

Particulars	(Rs. in Lakhs)		
	In cash	yet to be paid in cash	Total
1 Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
2 On purposes other than (1) above	59.35	-	59.35
	(17.76)	(-)	(17.76)

Previous Year figures are in brackets

i) Commitment

- Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 833.34 Lakhs (Previous Year Rs. 174.55 Lakhs)

j) Contingent Liabilities not provided for:

- Counter guarantees given to the banks for issuing bank guarantee - Rs. 3,864.85 Lakhs (Previous Year Rs. 4,494.82 Lakhs)
- Letters of Credit issued by the Banks - Rs. 2,138.12 Lakhs (Previous Year Rs. 1,920.03 Lakhs)
- Claims not acknowledged as debts:

Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

- 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.
- Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 Lakhs (Previous Year Rs. 14.74 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.19 Lakhs (Previous Year Rs. 5.19 Lakhs).
- 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 (Previous Year Rs. 5.09 Lakhs).
- Disputed Service Tax for the period 2013 to 2017 is Rs. 29.48 Lakhs (Previous Year Rs. 29.48 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.16 Lakhs (Previous Year Rs. 5.16 Lakhs).

k) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 4.59 Lakhs (Previous Year - Rs. 4.06 Lakhs).

- Pursuant to the Special Resolution passed at the Extraordinary General Meeting held on 1st December, 2020, the Company has issued and allotted 144,404 equity shares at a price of Rs. 1,385 per share (including premium of Rs. 1,375 per share) and 5,77,616 Warrants (including Series A and Series B Warrants, each carrying a right exercisable by the Warrant holder to subscribe to one equity share of the Company at a price of Rs. 1,385 per share, including premium of Rs. 1,375 per share) on 10th December, 2020 on preferential allotment basis. The Company has received Rs. 2,000 Lakhs against the equity shares issued and Rs. 2,000 Lakhs as 25% of the Warrant price till the year end.

- The outbreak of the Covid-19 pandemic globally and in India caused slowdown of economic activity in the month of March, 2020. The Company's production was shut down for a few days in March, 2020 as well as in the quarter ended June, 2020. Based on several management actions and general positive outlook among the user industries, the Company continued to grow despite the challenging economic conditions during the financial year ended 31st March, 2021.

Further, during the months of March, 2021 to May, 2021, the country has witnessed a second wave of Covid-19 infections. Due to the restrictions imposed by the authorities, the Company had limitations in operations caused by regional lockdowns, unavailability of oxygen, manpower shortages, logistic issues and other related restrictions. The Company is taking several measures to minimise the financial impact of the second wave of Covid-19 infections.

n) Discontinuing Operations:

a) Description of Discontinuing Operations:

- The Company had chemical manufacturing operations at Plot No.B-1,B-3,B-4 & A-7, Maroli Udhyognagar, Maroli, Navsari, Gujarat for manufacture of chemical products.

The company had passed a circular resolution dated 22nd May, 2020 for discontinuing of its chemical unit operations at Maroli.

- The Company started disposing of its Assets in the year 2020-21.

b) Business or Geographical segment:

The Discontinuing Unit is engaged only in the manufacture of chemicals.

c) Date & Nature of Initial Disclosure:

The date & nature of such disclosure is described as under:

- The Company sold some of its plant & machinery in the year 2020-21.

d) Date or period in which the discontinuance is expected to be completed if known or determinable:

The management of the Company has already initiated steps towards disposal. However the date or period in which the discontinuation is expected to be completed is not determinable as the process for disposal is in progress as on March 31, 2021.



Notes to the Consolidated Ind AS Financial Statements (contd.)

for the Year Ended 31st March 2021

e) Details of total assets are as under:

	(Rs. in Lakhs)
Fixed Assets	As at 31 st March 2021
Building	528.34
Plant & Machinery	922.61
Total Assets	1,450.95

The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time.

f) The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current financial reporting year are as under :

	(Rs. in Lakhs)
Particulars	As at 31 st March 2021
Revenue from operations	4,252.72
Other income	48.75
Depreciation on Assets	164.49
Other Expenses	3,819.74
Profit/(Loss) before tax	317.24

As per Management, only those income & expenses directly attributable to the discontinuing operations are considered for disclosure.

o) Subsequent events post balance sheet date

- i) The Board has recommended dividend @ 40% (Rs. 4) per equity share and declared dividend @ 9.5% (Rs. 0.76) per preference share at its meeting held on 12th June, 2021.
- ii) The Company has received Rs. 4,000 Lakhs towards the balance payment on 3,85,161 Series A Warrants and has issued and allotted 3,85,161 equity shares at a price of Rs. 1,385 per share, including premium of Rs. 1,375 per share on 5th May, 2021.

p) Previous period's figures have been regrouped and/or rearranged, wherever considered necessary.

This is the Balance Sheet referred to in our report of even date

For M.M. Nissim & Co LLP
Chartered Accountants
Reg.No.107122W/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 12th June, 2021

For and on behalf of the Board

Mr. Himanshu Patel
Chairperson & Managing Director
(DIN- 00202312)

Ms. Dhvani Shah
Company Secretary

Maroli Udyognagar, Dated 12th June, 2021

Mr. Aalap Patel
Director
(DIN-6858672)

Mr. K V Unnikrishnan
Chief Financial Officer
ACA 036212



HLE Glascoat Limited
(Formerly Swiss Glasscoat Equipments Ltd.)

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