HLE Glascoat

HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Ltd.)
CIN L26100GJ1991PLC016173 | GSTIN 24AACCS6297B1Z6
www.hle-glascoat.com

August 08, 2022

To
The Executive Director
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

SUB: Submission of Annual Report for the Year 2021-22

Dear Sir/ Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith copy of the 31st Annual Report with regards to the ensuing Annual General meeting of the Company convened on Thursday, 01st September, 2022 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Kindly note that a soft copy of the said Annual Report has been uploaded on the Company's website: www.hleglascoat.com.

Kindly acknowledge the receipt of the same.

Thanking You,

Yours truly,
For **HLE Glascoat Limited**

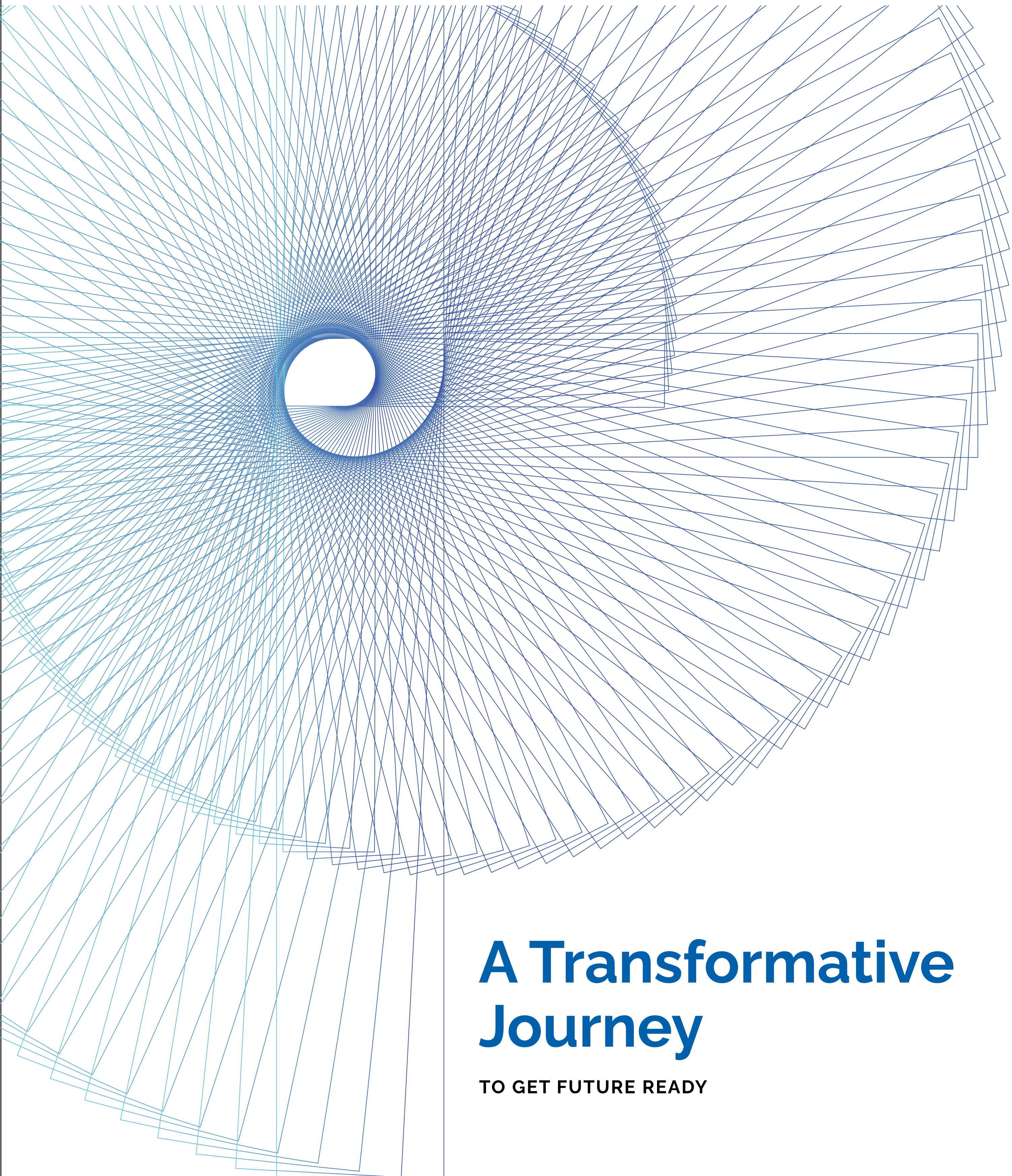
HLE GLASCOAT LIMITED

Achal Thakkar
Company Secretary and Compliance Officer

Encl: As Above

2021-**22** | ANNUAL REPORT

HLE Glascoat



A Transformative Journey

TO GET FUTURE READY

Contents

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

A Transformative Journey

TO GET FUTURE READY

Being one of the largest process equipment manufacturers in the world, our name is synonymous with unstinted trust and faith of our customers. Over the years, we have fortified our presence globally as a reliable partner, on the back of our strong ethical pedigree and core values, which stand on passion, excellence, and integrity.

We believe in driving consistent value for our stakeholders and gaining high customer trust. While consistent scaling of capacity, progressive geographic expansion to newer markets and addition of new products will continue to drive growth, we are transforming ourselves and focusing on not only winning today, but also making HLE truly future ready. This future readiness will largely be driven by our effort in the following four areas:

- Strategic Development
- Operational Excellence
- People Practices
- Building a well-managed company

With strengthened capacities, greater efficiencies, state-of-the-art manufacturing facilities, and the vast opportunities presented to us, driven by robust demand in end-user industries, we are poised to transform ourselves and emerge as a world-class company, whose brand recall resonates trust and integrity.

HLE Glascoat: Amongst the Leading Chemical Process Equipment Manufacturers in India

HLE Glascoat Limited is amongst India's most renowned process equipment manufacturers for the chemical and pharmaceutical sectors. We are a part of the Patel Group of Companies established by Dr. Khushalbhai H. Patel.

Shaped by a lineage of state-of-the-art technology, we commenced our journey in 1981, under the title of HLE Engineers Pvt. Ltd., as a manufacturer of chemical equipment. With our ever-increasing global footprint, we have risen to the pedestal of industry reference for Excellence in Engineering. We are also a leading player in the Indian glass-lined equipment market.

We operate three manufacturing facilities in Silvassa, and one in Germany with best-in-class equipment. In 2021, we acquired the global business of Thaletec GmbH, Germany.

Vision

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

Mission

To achieve heights of excellence in providing world-class affordable engineering solutions consistent with cutting-edge innovation.

Values

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

Marquee clientele

Divi's | Bayer | syngenta | UPL | Atul | gsk | LANXESS Energizing Chemistry

BASF We create chemistry | GHARDA CHEMICALS LIMITED | deccan | PI Inspired by Science | SRF | AUROBINDO | Zydus

Dr.Reddy's | PharmaZell GROUP | ISAGRO | CHEMINOVA | Otsuka | INEOS | Gulbrandsen

SANOFI | SUN PHARMA | MEGHMANI ORGANICS LTD. | MERCK | BUCHI | kemira

teva | GACL Promoting Green Technology | Alessá Healthcare | WACKER | Lonza Pharma & Biotech | sanofi aventis

CABB | Tagros | saltigo customized competence | AARTI INDUSTRIES LIMITED | Hovione In it for life | LAURUS Labs | aether

Extensive Suite of Offerings for Diverse Industries

At HLE Glascoat, we offer our clients various products, catering to the requirements of storage, reaction, heat transfer, refining, and solid-liquid separation within the chemical, pharmaceutical, and allied businesses.

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	**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. **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. **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. **Rapid Disc Dryer-Cooler** This patent pending HLE design is a modern take on traditional Paddle Dryers, offering nearly doubled capacity in the same footprint and volumetric capacity. **Orbicular Dryer** This equipment is a high-end solution for drying of highly sensitive pharmaceutical products while providing very high levels of access for cleaning between batches.	• Agrochemicals • Speciality and fine chemicals • Dyes and intermediates • Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food
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.	**Glass-Lined Reactors** These are user-friendly reactors, built in accordance with DIN 28136 standards, with a range between 63 and 50,000 litres. **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. **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. **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.	• Agrochemicals • Speciality and fine chemicals • Dyes and intermediates • Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food

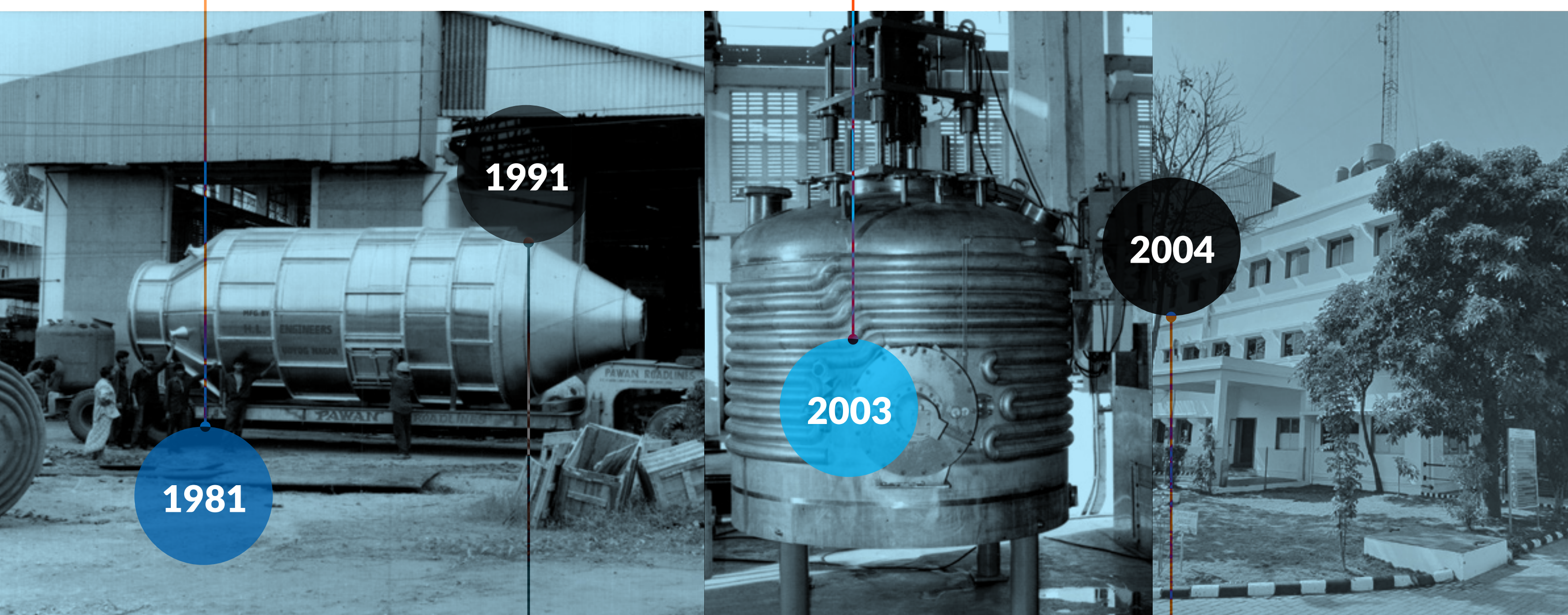
Product categories	Products	Downstream utilisation
Exotic Metal Equipment Leveraging our rich experience in handling exotic materials, we are the preferred suppliers of equipment made from such metals	We manufacture a range of tailor-made exotic metal equipment, on the back of our experience in handling 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.	• Agrochemicals • Speciality and fine chemicals • Dyes and intermediates • Bulk chemicals • Pharmaceutical • Oil and gas • Mineral processing • Aerospace • Marine
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.	**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. **cGMP Rotary Vacuum Paddle Dryers (RVPD)** These filter dryer models have a quick access cantilever design, for pharmaceutical, cleanroom and sterile applications. **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.	• Active pharmaceutical ingredients • Pharmaceutical • Nutraceutical • Food

Our Remarkable Journey

Our Group's journey started in 1951, when Indosal Chemicals pioneered the manufacturing of Salicylic Acid in India. Over the years, as our chemical manufacturing business grew, our capability to engineer novel solutions and manufacture reliable equipment for our own use kept pace. Eventually, our Process Equipment business was formalised with the founding of HL Engineers (HLE) in 1981.

HLE embarked on its operations as an equipment manufacturer, for our Group chemical plants

- Set up the Silvassa plant under the name of H L Equipments
- Inaugurated the "Heerasons R&D Centre" at Maroli



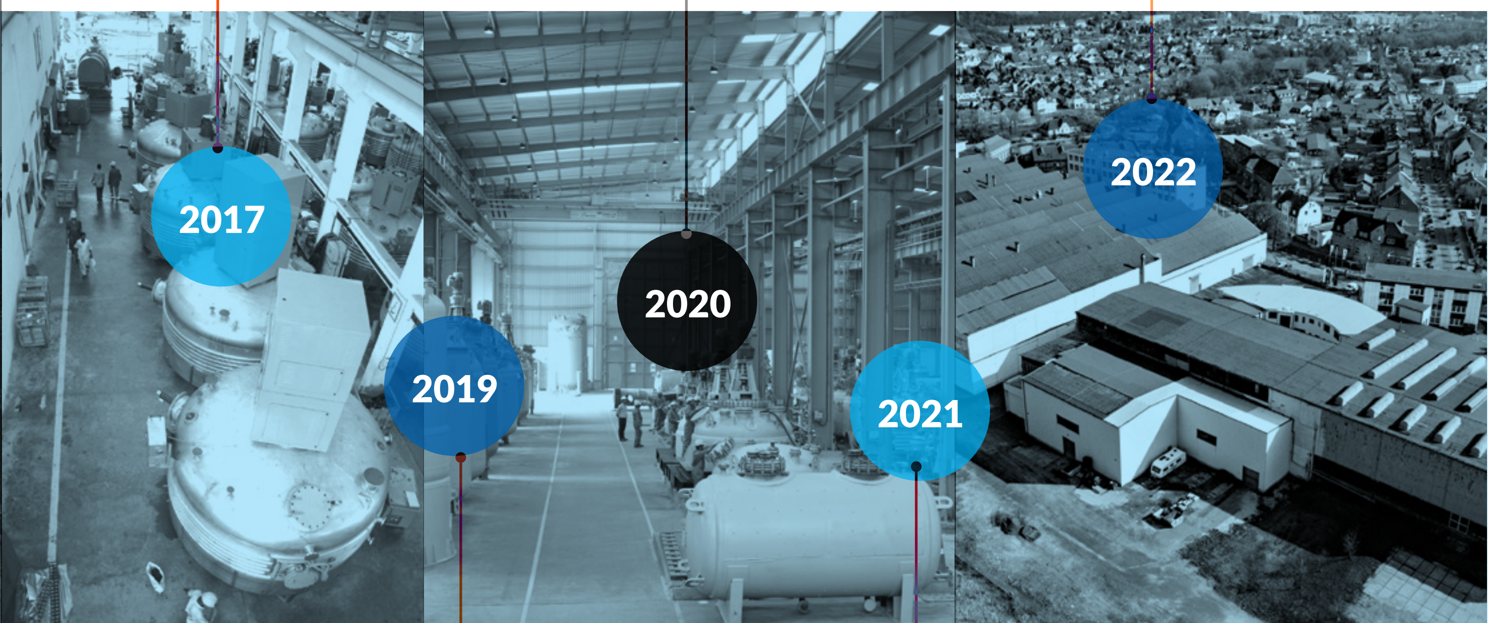
Manufactured our First Agitated Nutsche Filter-Dryer, beginning of specialisation in Filtration & Drying

HL Engineers gets incorporated as HLE Engineers Pvt. Ltd.

HLE expands product portfolio to Glass-Lined Equipment, post the acquisition of Swiss Glascoat Equipments Ltd.

HGL acquired additional ownership and profit share up to 99% in H L Equipments

Commissioned a greenfield manufacturing facility at Silvassa

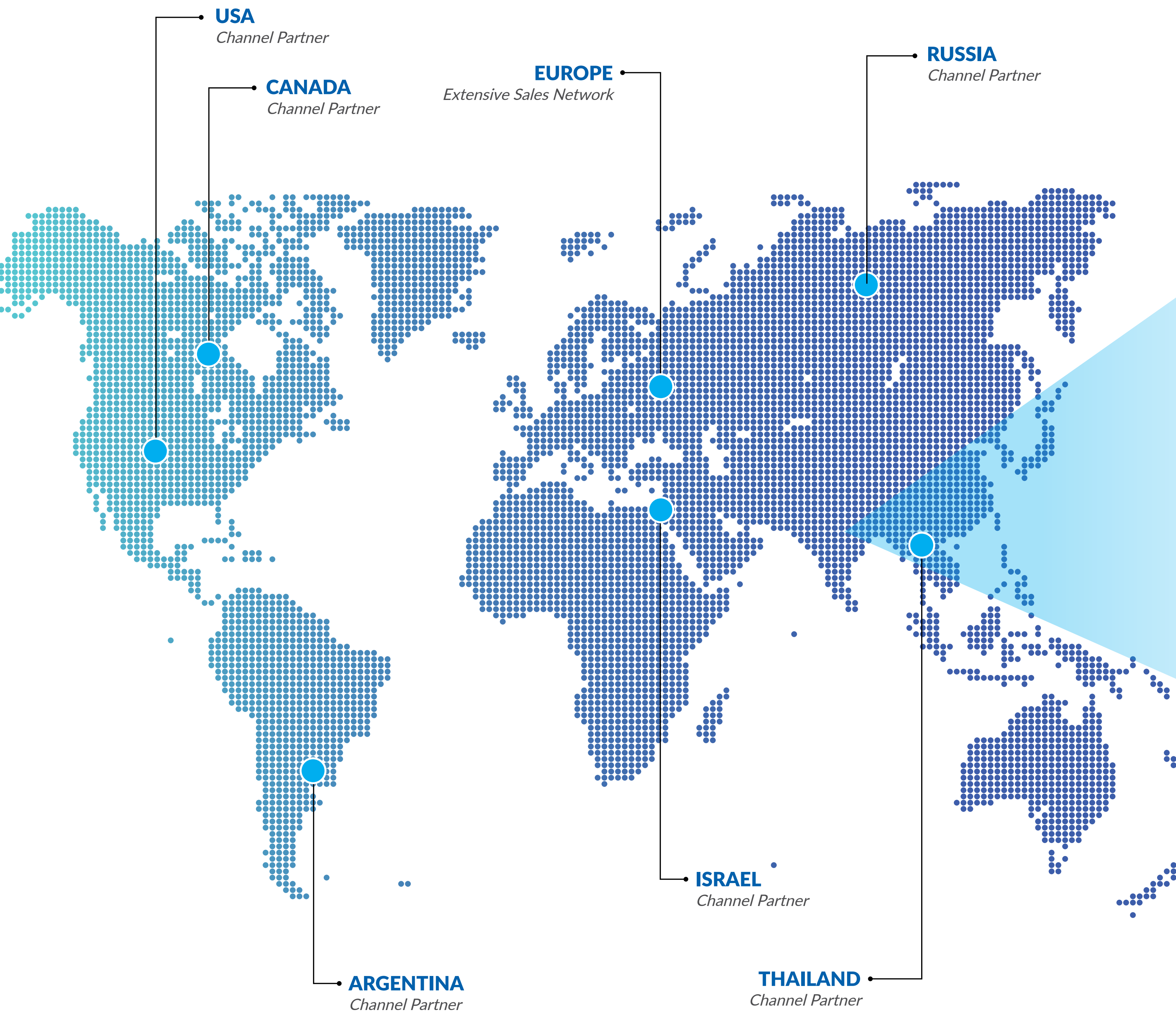


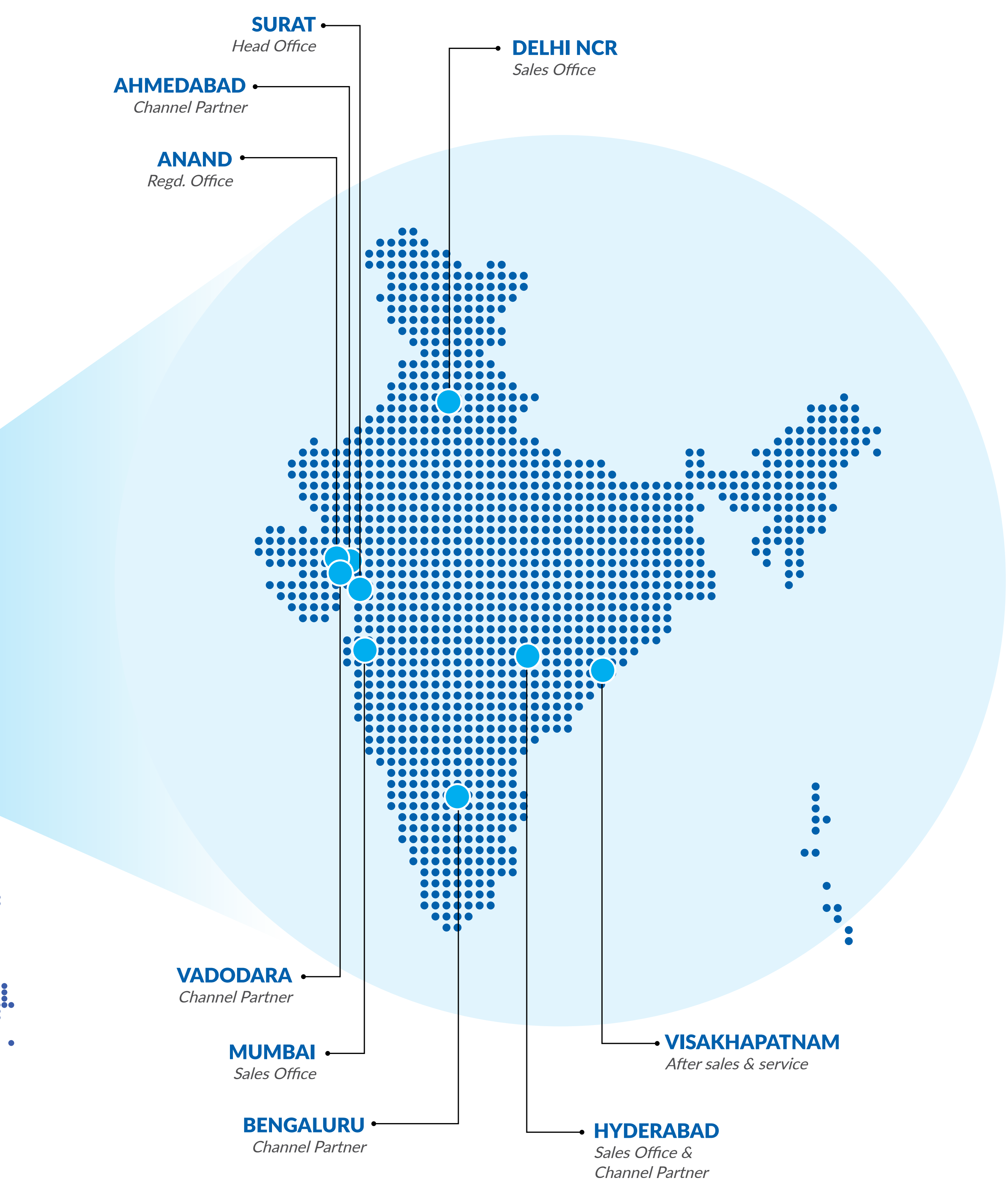
Consolidated the operations of HLE and Swiss Glascoat, under the name of HLE Glascoat Limited through a demerger scheme

HLE acquired the global business of Thaletec GmbH, Germany

Our Global Footprint

Strong Domestic Sales Network and Global Footprint




SURAT
Head Office
AHMEDABAD
Channel Partner
ANAND
Regd. Office
DELHI NCR
Sales Office
VADODARA
Channel Partner
MUMBAI
Sales Office
BENGALURU
Channel Partner
VISAKHAPATNAM
After sales & service
HYDERABAD
Sales Office &
Channel Partner

Managing Director's Message

[Himanshu Patel has ceased to be the Chairperson effective from April 1, 2022]

During the year, all our plants were working at high capacities. Our healthy order book combined with increased production capacities is expected to result in stronger despatches and sales in the coming quarters.

Dear Shareholders,

I hope you and your families are healthy and safe. We have been through over two years of challenging times posed by the COVID-19 pandemic. The impact continues to be felt with supply chain disruptions and steep increase in energy, logistics and other input costs. The commendable efforts by the medical fraternity, governments and various organisations have enabled the return to normalcy. Consequently, FY 2021-22 witnessed a faster than expected demand recovery and revival in business confidence with the Indian economy growing by 8.7% during the year.

OUR PERFORMANCE

Our consolidated revenue for FY 2021-22 stood at Rs. 65,221.82 Lakhs as against Rs. 48,448.93 Lakhs in FY 2020-21, marking a growth of 35%. Growth was primarily driven by strong order book for both filtration and drying equipment and glass-lined equipment businesses along with continued robust demand from end-user industries as well as the acquisition of Thaletec GmbH in December 2021.

During the year, all our plants were working at high capacities. Our healthy order book combined with increased production capacities is expected to result in stronger despatches and sales in the coming quarters. This demonstrates our team's consistent efforts in delivering outstanding performance amidst a tough external environment.

During the year, we saw our consolidated EBITDA growing by 23% to reach Rs. 11,776.38 Lakhs over Rs. 9,558.77 Lakhs in the previous year. Profit after tax increased by 9% to Rs. 5,823.34 Lakhs in FY 2021-22 from Rs. 5,337.10 Lakhs in FY 2020-21, despite an exceptional charge of Rs. 911.42 Lakhs.

Further, the revenue from filtration and drying equipment and glass-lined equipment segments increased considerably by 30% and 65%, respectively, in FY 2021-22. EBIT growth for filtration, drying, and other equipment during the year stood at 5% whilst the same for glass-lined equipment stood strong at 69% over the previous fiscal.

STRATEGIC EXECUTION OF OUR GROWTH PLANS

We are introducing improved products and technologies across all business segments to serve the evolving demands of the customers, particularly in the MSME sector. We believe that MSME as a sector has tremendous potential; therefore, the team is focused on adding newer customers from this segment. We also plan to expand geographically with a renewed thrust on global markets for both the key product segments. This will make our business model more resilient operationally as we diversify our customer base.

At the same time, we are focused on developing unmatched execution capabilities by strengthening our leadership team to execute the Company's vision and growth strategy. Towards this, we intend to make senior level hires in our operations and support functions.

Now, let me give you an overview of our capacity expansion programmes at Maroli, Silvassa, and Anand plants.

We have spent approximately Rs. 1,500 Lakhs for adding new manufacturing sheds at the Maroli plant, which will augment the floor area by about 40% for the manufacturing of filtration, drying, and other equipment. This additional capacity was commissioned in March 2022.

We have also completed and commenced operations of the Greenfield plant at Silvassa to augment the manufacturing capacity for the filtration and drying equipment. This new facility is spread across approx. 20,300 sq. metres of land with a built-up area of 8,591 sq. metres. The unit is equipped with a state-of-the-art machine shop, critical equipment, and EOT cranes which comply with the highest standards of safety.

Finally, we have added dedicated furnaces for components and critical equipment at the Anand facility. This will result in increased availability of baking capacity in the six main furnaces, four being electric furnaces and two being gas-fired furnaces. This additional capacity was commissioned in the third quarter of the financial year.

With these developments, we stand to reap the benefits of robust product demand and higher production capacities in the coming years.

Orbicular Dryer, Rapid Disc Dryer Cooler, and Glass-Lined Mixer Settler, among others, are some of our noteworthy product introductions during the year. Our production team continuously strives to improve man and material flow on the shop floor which will lead to better utilisation of equipment, optimal manpower usage, and improved throughput time.

Lastly, as you all are informed, the Thaletec GmbH acquisition was successfully completed in December 2021 after receiving all required regulatory approvals. With this acquisition, we are in a position to augment our consolidated revenues and profits whilst also reaping the benefits of multiple synergies and complementary capabilities of the two companies across geographies.

BUSINESS OUTLOOK

We are sharply focused on making our Company future-ready and drive sustained, high growth. Going forward, we intend to augment our market share in the filtration, drying, and glass-lined equipment in India and abroad, whilst continuing to focus on innovations and improved quality to meet customer needs.

The end-user industries are continuing to perform well; and the increase in our manufacturing capacities will further augment the business activity and growth across all segments. The Thaletec acquisition has opened a plethora of opportunities to penetrate newer markets in Germany and other European countries for the filtration and drying equipment, for which we already enjoy a leadership position in India.

Both HLE Glascoat and Thaletec are exploring possibilities of capitalising on each other's strong areas of manufacturing and distribution, glass lining and application technologies, cost synergies, and intend to launch first-of-its-kind products in the Indian market.

CONCLUSION

I would like to take this opportunity to thank our Board members and our stakeholders for their continued guidance and support on our exciting journey. I also thank our team members for their hard work and dedication to overcome the challenging times and contribute to the growth and success of the organisation.

Regards,

Himanshu Patel
Managing Director
[Himanshu Patel has ceased to be the Chairperson effective from April 1, 2022]

Financial Highlights

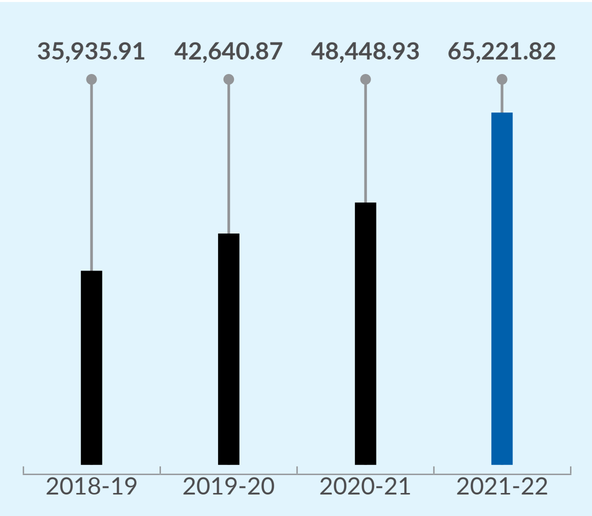
Profit and loss indicators

REVENUE

(Rs. In Lakhs)

22% 3-year CAGR

35% y-o-y

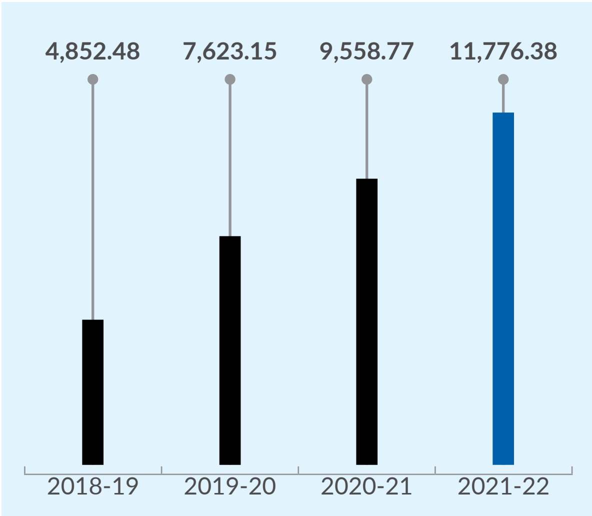


EBITDA

(Rs. In Lakhs)

34% 3-year CAGR

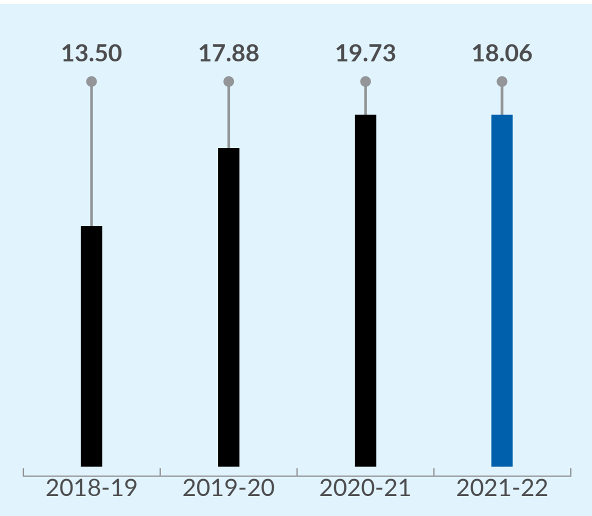
23% y-o-y



EBITDA MARGIN

(%)

(167) BPS y-o-y

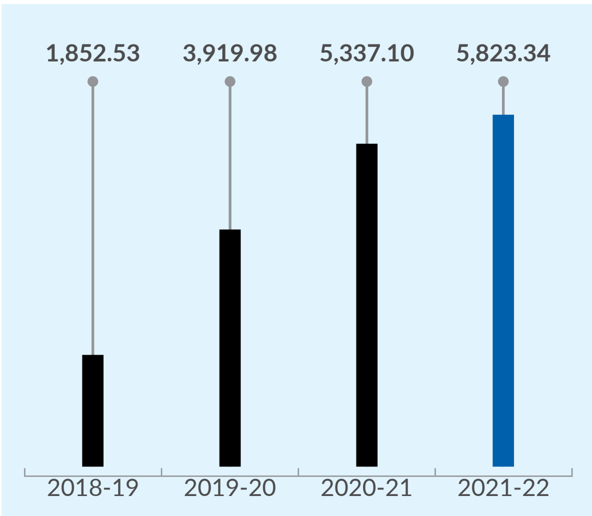


PAT

(Rs. In Lakhs)

46% 3-year CAGR

9% y-o-y



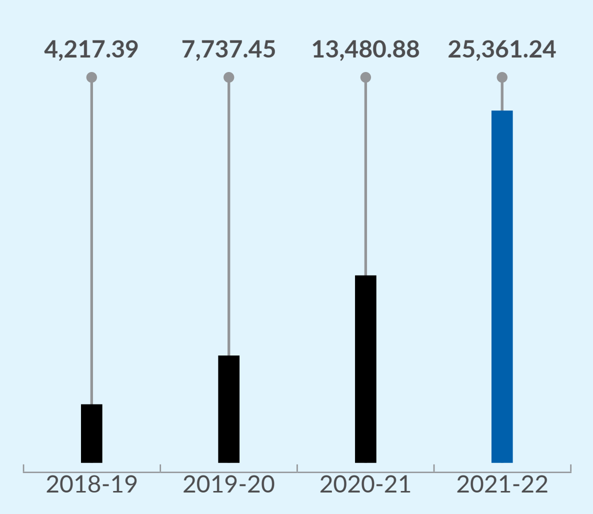
Balance sheet indicators

NET WORTH

(Rs. In Lakhs)

82% 3-year CAGR

88% y-o-y

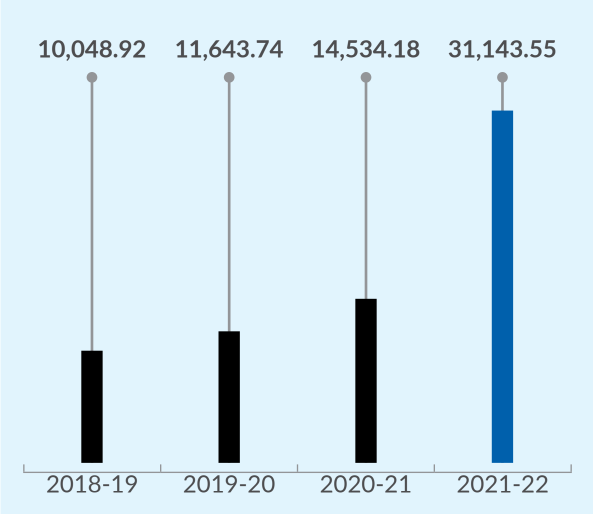


GROSS BLOCK

(Rs. In Lakhs)

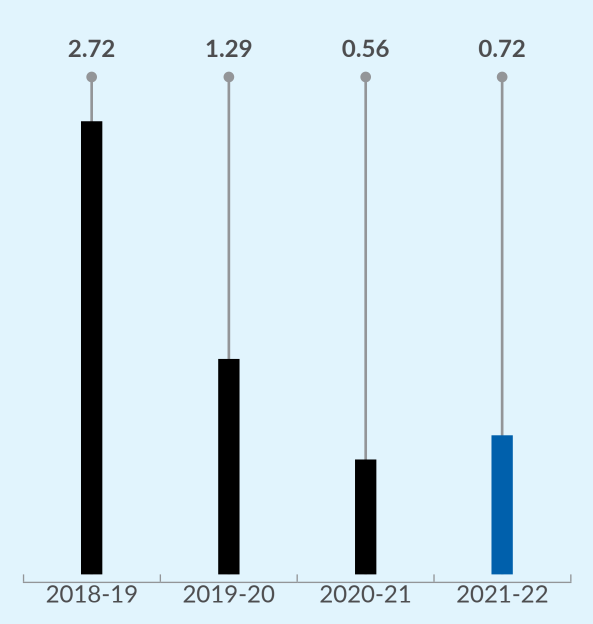
46% 3-year CAGR

114% y-o-y



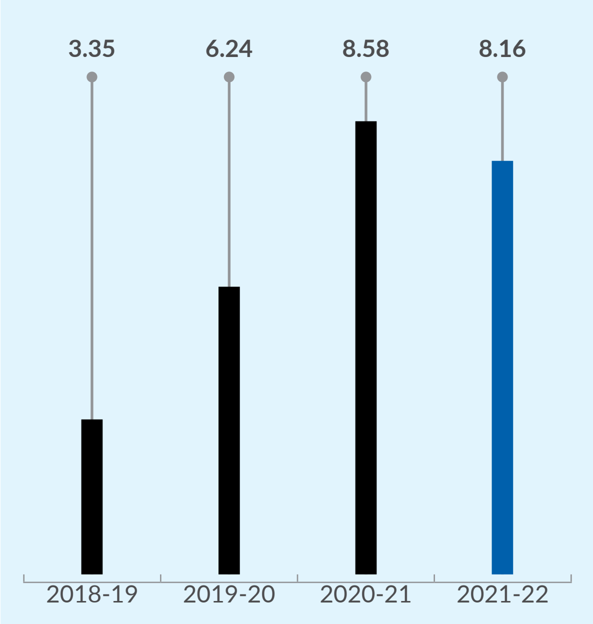
DEBT EQUITY RATIO

(Times)



INTEREST COVERAGE RATIO

(Times)



Successful Integration of Global Business of Thaletec GmbH

Post the strategic acquisition of Thaletec GmbH, we are working on various integration initiatives and identifying synergistic opportunities. We are looking to cross-sell existing and new product ranges to both HLE as well as Thaletec's domestic and global customers.

On December 17, 2021, we completed the acquisition of the global business of Thaletec GmbH, Germany ("Thaletec"), along with its wholly-owned subsidiary Thaletec Inc., USA, after receiving all necessary regulatory approvals for a consideration of Euro 12 million payable in cash.

Thaletec is engaged in the business of manufacturing specialised glass lined process equipment/reactors and has a manufacturing facility in Germany. It has a total production area of around 37,000 sq. metres and employs 150+ employees. Thaletec offers sophisticated customised and innovative technical solutions with glass lining to the chemical, pharmaceutical, or environmental process industries and is amongst the most reputed companies in the process equipment manufacturing segment in Europe.

The acquisition will enhance efficiencies and combine similar business interests for both the entities, resulting in operational synergies, optimisation of business, and overall value accretion to all the stakeholders. With this acquisition, we are in a position to augment our consolidated revenues and profits while reaping the benefits of multiple synergies and complementary capabilities of the two companies.

The Largest Glass Lining Plant in Germany spread over 40,000 m² of land area

Market leader in the most demanding German market- > 50% Market Share

Leading innovator - Several patents, registered designs and trademarks

Rich legacy - Facility established in 1686; Glassing Steel since 1907

Technology driven - 10 new solutions in last year

Robust manufacturing - Manufacturing vessels up to 1,00,000L volume

Technical Glass Lining – 6 application specific glass linings offered

Unmatched Product Offering - Multiple one-of-a-kind products and solutions offered

Leveraging the Thaletec GmbH acquisition, we aim to become one of the world's leading suppliers for glass lining technology. It strives for continuous high performance in the fields of innovation and operative process implementation to fulfil the expectations of customers.

We intend to provide our global expertise and management capabilities to ensure the growth of Thaletec primarily through:

- Increased focus on expanding territorial coverage
- Improving competitiveness
- Greater penetration of European and American markets

We intend to use certain manufacturing technologies of Thaletec to bring about commonality of the product specifications globally. At the same time, we also focus on leveraging the marketing and post-sales network of Thaletec to promote and market various additional equipment manufactured to increase the product offerings of Thaletec to its customers in the same user industries.

At HLE Glascoat, we strive to drive consistent value creation for our stakeholders. Leveraging our unique strengths has helped us carve a distinct position and deliver meaningful solutions for chemical manufacturing.

We are striving to create a culture that focuses on care as well as performance, enabling the organisation to explore new and unexplored possibilities. Our intention is to attract the right talent, enable the organisation to work collectively and inspire employees to work towards a purpose. This high-performing culture will ultimately create value for our investors and our stakeholders at large.

Driving...
Strategic Development

Our strategic priorities are centred on sustaining the leading position for our flagship products in certain markets; building a leadership position for our other products in certain markets; creating a renewed focus on engineering products and services over and above the existing ones and further expanding our global footprint.

At HLE Glascoat, we see strategy formulation and implementation as inseparable activities in which we engage on a continuous basis. Even though the idea of ongoing development has been central to our thinking, we have now formally adopted a strategic development process. Our focus on the strategic development process blends various aspects of decision-making from tactical, through operational to strategic decisions. Allocating or creating management bandwidth for driving these initiatives has been the first step in our journey.

Promoting...
Operational Excellence

We have been continuously serving our customers with world-class products on the back of our robust manufacturing prowess and innovation capabilities. Manufacturing excellence supported by modern equipment and uncompromising process standards form the backbone of our operations.

We also believe in continuously pursuing improvements in manufacturing operations to create efficiencies. We have begun a partnership with some of the premier institutes of the country to design the next phase of our operational excellence program and help build internal capabilities in transforming to best-in-class manufacturing operations. In addition, driving excellence through process and systems within our Finance, Sales, Services and Marketing functions will be a topic of high focus.

Capabilities

MANUFACTURING INFRASTRUCTURE

We have three state-of-the-art integrated process equipment manufacturing plants in western India and one in Germany with the best-in-class equipment. These plants include a modern machine shop with CNC machine tools and state-of-the-art SCADA-controlled electric and gas-fired furnaces for glass lining of equipment as well as components.

Highly automated processes with SPMs ensure accuracy and repeatability in operations. We also enjoy the distinction of being the first manufacturer to have successfully implemented Robotic Welding to match the stringent quality standards of glass lining.

80,000 m^2
Shop floor area

4
Manufacturing Sites

Our pilot plant and R&D facility enables us to offer innovative, high-quality solutions to our customers. Along with offering product trials and demonstrations, our pilot plant also enables us to scale end-to-end processes, improve lifecycle management of products, and enhance product design to ensure quicker turnaround.

The R&D facility is fully equipped with:

- Filtration & Drying Equipment – ANFDs, RVPDs
- Distillation System
- Reactors and Autoclaves in a range of MOCs
- Melt Crystalliser and Loop Reactor
- Utilities like Steam, Air, Vacuum and Chilling
- Analytical Lab with HPLC, GC and Spectrophotometry

This infrastructure, combined with our strong expertise in designing, building, and operating chemical plants also enables us to stay ahead and cater to specific needs of our customers. Owing to our robust engineering capabilities, we have been strengthening our products and processes consistently to increase efficiencies, enhance quality, and drive premiumisation.

35
Strength of design and engineering team

Building...
A well-managed company

Our idea of a well-managed company is one where employees have independence and are highly engaged thus supporting enhanced productivity and limited employee turnover. Such an environment leads to a thriving culture that drives excellence across functions and maximises value.

Building well-managed company has become a deliberate focus through which we have initiated delegation of functional responsibilities. All our functions will be managed by people with high expertise and capabilities in their own areas, thus allowing our leaders to create more time to build a future ready HLE Glascoat and propelling further growth and innovation across the group. The first leg of our journey has already begun with the addition of highly experienced and capable members to our team across various functions such as Operations, People Success, Learning and Organisational Development, Business Development, Strategy, Technology, Finance, Legal and Compliance.

Transforming... People Practices

Our people are at the centre of our business operations. Our commitment to people's professional and personal growth is defined by the policies we have in place for their training, grooming, and overall well-being. We strive to imbibe passion across all levels of hierarchy, starting from the senior management to the employees and factory workers.

In the next three years, we intend to build a caring and high performing culture. We have diluted our traditional HR functions and have created "People Success" functions at all our sites, in addition to creating a Leadership and Organisational Development position. As a result, our people function is driven by three purpose-driven teams – People Success, Leadership and Organisation Development and Workplace Solutions.

BUILDING A ROBUST PEOPLE CULTURE

With an intention to lay the foundation for what the company cares about most, we have discovered, articulated and reinforced our ways of working. This will provide a common purpose that all members of the organisation should understand, work towards and live by. They will enable all the members to recognise and appreciate what the organisation stands for, wants to achieve and how they personally can act to help reach the desired outcomes. As a result, we will achieve great performance, great workplace morale and staff engagement.

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 at least every quarter to review the Company's performance.

Board Composition (as on March 31, 2022)

Mr. Himanshu Patel
Chairperson and Managing Director

Mr. Aalap Patel
Executive Director (Technical)

M M M C

Mr. Nilesh Patel
Non-Executive Director

Mr. Harsh Patel
Non-Executive Director

M

Ms. Vijayanti Punjabi
Independent Director

C M

Mr. Yatish Parekh
Independent Director

C M M

Mr. Sandeep Randery
Independent Director

M C C M

Mr. Jayesh Shah
Independent Director

M M M

Audit Committee | Stakeholders Relationship Committee | Nomination & Remuneration Committee
Corporate Social Responsibility Committee | Risk Management Committee
C - Chairman | M - Member

Board Diversity

4
Number of independent directors

2
Number of non-executive directors

96%
Board attendance during 2021-22

Leadership Team (as on March 31, 2022)

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

STRONG CORPORATE GOVERNANCE

Led by a dynamic management team with the coalition of Board of Directors and its committees and guided by integrity and values, we ensure robust governance and strict financial discipline. We strive to attain financial discipline on the back of a de-leveraged balance sheet and maintain stable working capital by opting for long-term finance options. During the year, we used a steady mix of internal accruals and debt to fund our capex plans.

We have undertaken de-risking measures to ensure long-term revenue and margin sustenance which include:

- Minimise dependence on specific downstream sectors and diversify business to cater to multiple downstream sectors
- Create a widespread product portfolio, reducing dependence on any one specific product for generating revenues
- Reduce dependence on any specific market, and diversify presence across all the countries in the world

Operating Responsibly for a Better World

Growing concerns over environment sustainability are reshaping the way businesses operate today. At HLE Glascoat, we strive to work towards minimising the impact of our operations and implement long-term, sustainable solutions for environment conservation.

We continuously seek ways to reduce our operational footprint and emissions. Through our interventions, we intend to improve energy efficiency, reduce carbon intensity, and minimise waste generation.

Our one windmill is situated at Baradiya in Jamnagar, Gujarat, and two windmills are situated at Sujapur in Ratlam, Madhya Pradesh. The total electricity generated from both the windmills during FY 2021-22 was 21.83 Lakh Units. The generated electricity was fully utilised which resulted in reduction of power cost by 5.52%.

Our Captive Solar Power Capacity of 180KW installed at our Maroli location also contributed 1.76 Lakh units of green energy.

Creating Value for Communities

As a responsible corporate citizen, we strive to make a meaningful difference in the communities in which we operate. Our wide-ranging and impactful social interventions are undertaken after understanding local needs with the aim to build stronger and holistic communities.

Yashsawati Foundation is the Corporate Social Responsibility (CSR) arm of HLE Glascoat. Healthcare and Community Development form the key focus areas of our Company.

HEALTHCARE

Our initiatives in the area of Healthcare focus on providing basic and affordable healthcare services in remote rural and coastal villages. Yashsawati Foundation has set up a medical clinic in Nadod Village, Jalalpore Taluka, Navsari District of Maroli works. We have deputed qualified doctors and consultants to examine the patients diagnosed with diseases and provide adequate treatment. The health care centre was set up with high concessional rate model and received huge success.

We treated nearly 200+ patients with general infectious and preventive diseases and also children suffering from paediatric inflectional and viral diseases. Our aim is to improve the health of rural and marginalised people to enable them to become self-sustainable and economically strong.

COMMUNITY DEVELOPMENT

As part of the community development, we sponsored Supplementary Scheme in three wadis viz. Ugwatwad, Azadwadi, and Sutarwadi out of 16 wadis of the Village Gimhavane situated 225 km from Mumbai. This village is situated 1000 ft. above the sea level and faces acute water shortage. Under this programme, we developed 27 stand posts, one stand post for every 10-12 houses. The supplementary scheme was implemented by constructing a well near local nallah and pump up the water to overhead tanks on hills near the village from where water was distributed by gravity to these three wadis by laying 5 km of pipeline network.

A total of 200 houses and about 1,000 people benefited from this intervention. Post the successful implementation of the scheme, the villagers of the 16 wadis have requested us to initiate similar water projects for the entire village.

Corporate Information

CORPORATE IDENTITY NUMBER [CIN]

L26100GJ1991PLC016173

BOARD OF DIRECTORS

Mr. Yatish Parekh
Chairman & Independent Director
(Chairman w.e.f. April 1, 2022)

Mr. Himanshu Patel
Chairman & Managing Director
(Chairman upto March 31, 2022)

Mr. Aalap Patel
Executive Director (Technical)

Mr. Nilesh Patel
Non-Executive Director

Mr. Harsh Patel
Non-Executive Director

Ms. Vijayanti Punjabi
Independent Director

Mr. Sandeep Randery
Independent Director

Mr. Jayesh Shah
Independent Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Achal Thakkar
(w.e.f. May 10, 2022)

Ms. Dhwani Shah
(upto January 31, 2022)

CHIEF FINANCIAL OFFICER

Mr. Naveen Kandpal
(w.e.f. March 1, 2022)

Mr. K. V. Unnikrishnan
(upto March 31, 2022)

STATUTORY AUDITORS

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

INTERNAL AUDITORS

(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
Citibank NA
ICICI Bank Limited
Bajaj Finance Limited

SECRETARIAL AUDITORS

D. G. Bhimani & Associates
Practicing Company Secretary
Anand

REGISTERED OFFICE

H – 106, 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

Notice

NOTICE is hereby given that the 31st Annual General Meeting of HLE GLASCOAT LIMITED will be held on Thursday 01st day of September, 2022 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:**

   (a) the Audited Standalone Financial Statements of the Company for the year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2022, together with the Report of the Auditors thereon.

2. To declare dividend of Rs. 5 per equity share of Rs. 10 each for the financial year 2021-22.

3. To confirm dividend of Rs. 0.95 per preference shares of Rs. 10 each paid for the financial year 2021-22 in accordance with the terms of issue.

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

5. **To re-appoint Statutory Auditors for a second term of five years and authorize the Board of Directors to fix their remuneration.**

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

   "RESOLVED THAT

   (i) pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time ("Act"), M/s. M. M. Nissim & Co. LLP, Chartered Accountants (Firm Registration No. 107122W/W100672) be and are hereby appointed as the Statutory Auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of this (31st) Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors from time to time.

   (ii) the Board of Directors of the Company are hereby authorized to do all acts, deeds and things and to take all necessary steps and give such directions as may be necessary to give effect to the above resolution."

SPECIAL BUSINESS:

6. **To approve re-appointment of Mr. Himanshu Patel as a Managing Director of the Company**

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

   "RESOLVED THAT

   (i) pursuant to provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Himanshu Patel (DIN: 00202312) ("Appointee") as a Managing Director of the Company, liable to retire by rotation, for a period of three years with effect from December 31, 2022 upon the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee as specified here under:

   REMUNERATION AND BENEFITS:

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

   (a) SALARY:

   The Appointee shall be entitled to an annual salary, including allowances, of Rs.1,08,00,000/- (Rupees One Crore Eight Lakhs only).

   (b) PERQUISITES:

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

(i) Reimbursement of telephone expenses.

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

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

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

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

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

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

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

(c) COMMISSION:

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

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

(d) ANNUAL INCREMENT

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

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

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

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

(f) SITTING FEES:

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

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

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

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

7. To approve re-appointment of Mr. Aalap Patel as an Executive Director of the Company

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

RESOLVED THAT

(i) pursuant to provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Aalap Patel (DIN 06858672) ("Appointee") as an Executive Director of the Company, liable to retire by rotation, for a period of three years with effect from December 31, 2022 upon the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee as specified here under:

REMUNERATION AND BENEFITS:

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

(a) SALARY:

The Appointee shall be entitled to an annual salary, including allowances, of Rs. 90,00,000/-(Rupees Ninety Lakhs only).

(b) PERQUISITES:

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

(i) Reimbursement of telephone expenses.

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

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

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

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

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

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

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

(c) ANNUAL INCREMENT

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

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

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

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

(e) SITTING FEES:

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

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

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

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

8. **To approve appointment of Mr. Harsh Patel (existing Non-Executive Director) as a Whole-time Director of the Company**

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

"RESOLVED THAT

(i) pursuant to provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the appointment of Mr. Harsh Patel (DIN 00141863) ("Appointee") as a Whole-time Director of the Company, liable to retire by rotation, for a period of three years with effect from October 01, 2022 upon the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee as specified here under:

"REMUNERATION AND BENEFITS:

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

(a) SALARY:

The Appointee shall be entitled to an annual salary, including allowances, of Rs. 60,00,000/-(Rupees Sixty Lakhs only).

(b) PERQUISITES:

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

(i) Reimbursement of telephone expenses.

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

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

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

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

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

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

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

(c) ANNUAL INCREMENT

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

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

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

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

(e) SITTING FEES:

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

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

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

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

9. To approve Sub-division of equity shares from the face value of Rs. 10/- per share to Rs. 2/- per share along with necessary Alteration in Capital clause of the Memorandum of Association

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

"RESOLVED THAT-

i. pursuant to the provisions of Section 61(1)(d) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies and subject to consent of the Members of the Company, the consent of the Board be accorded to Sub-divide each of the Equity Shares of the Company having a face value of Rs. 10/- each into five (05) Equity Shares having a face value of Rs.2/-(two) each, with effect from the Record Date as may be fixed for the purpose;

ii. pursuant to the provisions of Section 13, 61 and 64 of the Companies Act, 2013 read with other applicable provisions, if any of the Companies Act, 2013 (including any amendments there to or re-enactment thereof) and the rules framed thereunder, and subject to the consent of the Members of the Company, the consent of the Board be accorded to alter the Authorized Share Capital of the Company from existing 'Rs. 20,60,00,000/-(Rupees Twenty Crores Sixty Lakhs only) divided into 1,80,00,000 Equity Shares of Rs. 10/- each and 26,00,000 Preference Shares of Rs. 10/- each to Rs.20,60,00,000/- (Rupees Twenty Crores Sixty Lakhs only) divided into 9,00,00,000 Equity Shares of Rs. 2/- each and 26,00,000 Preference Shares of Rs. 10/- each and the Memorandum of Association of the Company be altered in the following manner i.e., existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V.

V. The Authorized Share Capital of the Company is Rs. 20,60,00,000/- (Rupees Twenty Crores Sixty Lakhs only) divided into 9,00,00,000 (Nine crores) Equity Shares of Rs. 2/- (Rupees Two Only) each and 26,00,000/- (Twenty Six Lakhs) Preference Shares of Rs. 10/-(Rupees Ten Only) each.

iii. pursuant to the Sub-division of the Equity Shares of the Company, all the issued, subscribed and paid-up Equity Shares of nominal value of Rs. 10/- each of the Company existing on the Record Date to be fixed by the Company in consultation with the Stock Exchange where the shares of the Company are listed shall stand Sub-divided into Equity Shares of nominal value of Rs. 2/- each fully paid up.

iv. upon Sub-division of the Equity Shares as aforesaid, five (5) Equity Shares of the face value of Rs. 2/- each to be allotted in lieu of existing One (1) Equity Share of Rs. 10/- each subject to the terms of the Memorandum and Articles of Association of the Company, shall rank paripassu in all respects with the existing fully paid-up Equity Shares of Rs. 10/- each of the Company and shall be entitled to participate in full dividend to be declared after the Sub-divided Equity Shares are allotted.

v. upon the Sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date to be fixed by the Company and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares held in the dematerialized form, the number of Sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before Sub-division.

vi. the Board of Directors of the Company ("the Board"), (which expression shall also include a committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers therein vested in the Board to any Committee thereof to give effect to the aforesaid resolution"

10. Approval for raising of additional funds by way of one or more public or private offerings including through a Qualified Institutions Placement ('QIP') to eligible investors through an issuance of equity shares or other eligible securities

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

"**RESOLVED THAT** pursuant to and in accordance with the applicable provisions of Sections 23, 42, 62, 179 and other related applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s) thereto or re-enactment(s) thereof for the time being in force and as may be enacted from time to time, (collectively, the "**Companies Act**"), all other applicable laws, rules and regulations, the Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, each as amended from time to time, the current Consolidated FDI Policy issued by the Department of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (collectively, "**FEMA**"), the relevant provisions of the Memorandum and Articles of Association of the Company, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the listing agreements entered into by the Company with the BSE Limited ("**BSE**"/"**Stock Exchange**"), where the equity shares of the Company of face value of ₹10 each ("**Equity Shares**") are listed and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India ("**Government of India**"), the Ministry of Corporate Affairs ("**MCA**"), the Reserve Bank of India ("**RBI**"), BSE, the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), the Securities and Exchange Board of India ("**SEBI**") and any other appropriate governmental or regulatory authority and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA, RoC and the Stock Exchange (hereinafter referred to as "**Appropriate Authorities**"), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting such approval(s), consent(s), permission(s) and/or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the consent, authority and approval of the members of the Company be and is hereby accorded to the Board, in its absolute discretion, to create, offer, issue and allot from time to time (including with provisions for reservation on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Equity Shares and/or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise, in registered or bearer form) (the "**Securities**"), in one or more tranches, for cash, whether Rupee denominated or denominated in foreign currency, in the course of one or more international and/or domestic offering(s) in one or more foreign market(s) and/or domestic market(s), by way of one or more public and/or private offerings, for an aggregate amount up to Rs. 350.00 crores (Rupees Three Hundred and Fifty Crore only), inclusive of such premium as may be fixed on the Securities, including but not limited to, by way of private placement through one or more qualified institutions placement ("**QIP**") in accordance with and within the meaning of Chapter VI of the SEBI ICDR Regulations, to eligible "qualified institutional buyers" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations ("**QIBs**") or by way of preferential issue in accordance with Chapter V of the SEBI ICDR Regulations, or through any other permissible mode or any combination thereof of any of the above (the "**Issue**"), subject to applicable laws, through placement documents, private placement offer cum application letters and/or such other documents/writings/circulars/memorandam, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations) and on such terms and conditions as the Board may determine in consultation with the book running lead manager(s) and/or underwriter(s) and/or placement agents and/or any other advisor(s) appointed for the offering of the Securities, to be appointed for the Issue ("Lead Manager(s)"), including, without limitation, the total number of Securities to be issued, face value, fixing book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable law and on such terms and conditions as may be determined and deemed fit and appropriate by the Board, at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the Lead Manager(s) so as to enable the Company to list the Securities issued, on the Stock Exchange.

RESOLVED FURTHER THAT in the event that Securities are offered to QIBs through a QIP, the following shall apply:

1. the Securities, or any combination thereof as may be decided by the Board and subject to applicable laws, will be allotted within 365 days from the date of passing of this special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;

2. the "relevant date" for the purpose of pricing of any Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP;

3. in case of allotment of eligible convertible securities, the "relevant date" for the purpose of pricing of such convertible securities shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP, or the date on which the holders of the eligible convertible securities are entitled to apply for Equity Shares;

4. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;

5. the Equity Shares and/or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) allotted in a QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations;

6. the Board may at its absolute discretion and in accordance with applicable law, also offer a discount of not more than 5% of the floor price or such other discount as may be permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

7. no subsequent QIP shall be made until the expiry of two weeks from the date of the prior QIP approved by way of this Special Resolution and in accordance with the SEBI ICDR Regulations; and

8. In case Securities other than Equity Shares are issued pursuant to a QIP as aforesaid, such securities shall be converted into Equity Shares within sixty months from the date of allotment.

RESOLVED FURTHER THAT, in pursuance of the resolutions above:

1. the Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the memorandum and articles of association of the Company;

2. the Equity Shares created, offered, issue or allotted by the Company shall rank pari passu in all respects with the existing Equity Shares of the Company, in all respects including dividend;

3. the Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organisation or Restructuring; and

4. the Equity Shares shall be allotted as fully paid-up.

RESOLVED FURTHER THAT any issue of Securities made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the "**QIP Floor Price**"), with the authority to the Board to offer a discount of not more than such percentage as permitted under applicable law on the QIP Floor Price.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a committee thereof be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of preliminary placement documents and placement documents, private placement offer-cum-application letters, determining the form and manner of the Issue, type of security to be issued including the number of

Securities to be allotted, issue price, premium payable, date of the opening and closing of the Issue, or execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) and utilization of the proceeds as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, or a duly authorized committee, in consultation with the Lead Manager(s), advisors and/or other intermediaries as may be appointed in relation to the Issue, is authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and listing thereof with the Stock Exchange or otherwise as may be required in relation to the Issue and to resolve and settle all questions and difficulties that may arise in the Issue, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the Issue, utilization of Issue proceeds, to enter into and execute (and amend from time to time, as may be deemed appropriate by the Board in its sole discretion (subject to the conditions set forth in the resolutions herein), all such arrangements/ agreements with any Lead Managers, placement agents, managers, underwriters, lawyers, advisors, guarantors, depositories, custodians, registrars and all such agencies and intermediaries as may be involved or concerned in the Issue, including any amendments or supplements thereto, as necessary or appropriate and to remunerate all such agencies including by way of payment of commissions, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them, and to finalize, approve and issue any document(s) or agreements including, but not limited, to placement documents, and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchange, sign all deeds, documents and writings, settle all questions, difficulties or doubts that may arise in regard to the Issue and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the Issue and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board or a duly authorised committee and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board or a duly authorised committee in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the Issue.

RESOLVED FURTHER THAT in respect of the Issue, the Board or any duly authorised committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s) for obtaining in-principle approvals, listing of the Securities, filing of requisite documents/making declarations with the Government of India, MCA, RoC, RBI, SEBI, Stock Exchange, and any other statutory/regulatory authority(ies), and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

RESOLVED FURTHER THAT the Board or a duly authorised committee thereof be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s) and statutory/regulatory authorities and execution of any deeds and documents for and on behalf of the Company and to represent the Company before any governmental authorities, to give effect to this resolution."

11. To approve/ratify the remuneration payable to Cost Auditors for financial year 2022-23

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 March 31, 2023, is hereby ratified and approved."

By the Order of the Board of
HLE Glascoat Limited

Date: June 6, 2022
Place: Maroli

Achal Thakkar
Company Secretary

NOTES:

(A) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 6 to 11 of the accompanying notice is annexed hereto.

(B) Instructions for Participation through VC

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2021 dated January 13, 2021, read with Circular no. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 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.

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) intending their authorised representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting are requested to send scanned certified true copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer by email through their registered email address to dgbhimani@yahoo.co.in with copies marked to the Company at share@hleglascoat.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. September 01, 2022. Members seeking to inspect such documents can send an email to share@hleglascoat.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@hleglascoat.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 2021-22 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 January 15, 2021 and May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website 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. Nilesh 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 31st 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@hleglascoat.com (preferably four days prior to the date of AGM).

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

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

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:

– 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 Scrutinizer 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. (LIIPL) shall provide facility for Remote E-voting to enable the Members to cast their votes electronically. Remote E-voting is optional.

3. The Members who have cast their votes electronically prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

4. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Member(s) on the cut-off date. Votes once cast shall not be allowed to change subsequently.

5. The instructions and other information relating to Remote E-voting are as under:

   i. The remote e-voting period commences on August 29, 2022 (9:00 a.m. IST) and ends on August 31, 2022 (5:00 p.m. IST). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off August 25, 2022, may cast their vote electronically. Thereafter, the Remote E-voting module shall be disabled by LIIPL at 5.00 p.m. IST on the last day i.e. August 31, 2022. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL

   1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

   2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

   3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

   1. Existing users who have opted for Easi / Easiest, 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.

   2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

   3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

   4. 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 i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

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

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

   A. User ID:

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

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

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

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

   *Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

   *Shareholders holding shares in **NSDL form**, shall provide '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).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

2. E-voting page will appear.

3. 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).

4. 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.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL 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.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at 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.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**?'

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

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

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

Shareholders 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".

6. 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.

7. 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.

8. 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.

(D) Other Instructions

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

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

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

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

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

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

2. In case of joint holders attending the meeting, only 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.

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

4. The Register of Members and Share Transfer Books of the Company, for the shares held in physical form, will remain closed from August 26, 2022 to September 01, 2022 (both days inclusive).

5. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2015 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 2014-15 is October 8, 2022. Hence, members are requested to realise their unpaid dividend amount at least one month before the due date.

6. 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
2014-15	September 10, 2015	October 8, 2022	2019-20 (Interim Dividend)	February 11, 2020	March 9, 2027
2015-16	July 25, 2016	August 23, 2023	2019-20 (Final Dividend)	September 19, 2020	October 17, 2027
2016-17	August 28, 2017	September 26, 2024	2020-21	September 7, 2021	October 5,2028
2017-18	August 3, 2018	September 1, 2025			

The statements of unpaid/unclaimed dividend amount as on for the previous financial year- Form IEPF-2and 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 April 1, 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 August 25, 2022.

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 August 25, 2022.

8. A separate reminder has also been sent to those Shareholders having unclaimed dividends related to financial year 2014-15 to 2020-21.

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 April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

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

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

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

14. Members are requested to notify immediately:

    (a) Any change in their residential address.

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

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

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

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

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

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

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

    In accordance with the provisions of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred the unclaimed physical share certificates lying with it to the Demat A/c namely "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 September 7, 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

Date: June 6, 2022
Place: Maroli

Achal Thakkar
Company Secretary

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

Item No. 6

The existing Agreement of appointment of Mr. Himanshu Patel as a Managing Director of the Company is due to expire on December 30, 2022. Hence, the Board recommends his re-appointment as a Managing Director of the Company for a further period of three years with effect from December 31, 2022.

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

I. General Information

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

II. Information about the Appointee:

Particulars	Mr. Himanshu Patel
Background Details	Mr. Himanshu Patel has completed his B.E. (Electrical) from the University of Bombay in the year 1976. He is having more than 45 years of experience in the business of chemicals and engineering. He is a promoter/director in the following companies/entities: 1. HLE Engineers Private Limited 2. Maroli Udhyognagar Land Development and Management Company Private Limited 3. Newpar Aromatics LLP 4. HN Indigos Private Limited 5. Yashashvi Rasayan Private Limited 6. Yashaswati Foundation
Past Remuneration	Mr. Himanshu Patel was entitled to a monthly salary, including allowances, of Rs. 8,25,000/- (Rupees Eight Lakhs Twenty Five Thousand only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as a Managing Director of the Company w.e.f. December 31, 2016.
Recognition and Awards	N.A.
Job Profile and his suitability	He has overall control over the management and business strategy of the Company in line with his qualification and experience in the business.
Remuneration proposed	Mr. Himanshu Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: Salary : Annual salary of Rs. 1,08,00,000/-. Perquisites : Perquisites as specified in the draft agreement. Commission : At the rate of 1% on the net profit of the Company. Annual Increment : The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board.

Particulars	Mr. Himanshu Patel
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration payable to Mr. Himanshu Patel is in line with that payable in the industry and the companies of similar size and nature.
Pecuniary Relations with the Company	Apart for receipt of remuneration as per the Agreement entered into with the Company, following companies/entities in which Mr. Himanshu Patel has direct/indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: • Maroli Udhyognagar Land Development and Management Company Private Limited • HLE Engineers Private Limited • Newpar Aromatics LLP • HN Indigos Private Limited • Yashashvi Rasayan Private Limited • Yashaswati Foundation • M/s HL Equipments • Yash Speciality LLP

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

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

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

Pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) and applicable Article(s) of the Articles of Association of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 23, 2022, have recommended re-appointment of Mr. Himanshu Patel as Managing Director of the Company for a period of three (03) year(s) w.e.f. December 31, 2022.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing appointment of Mr. Himanshu Patel as Managing Director of the Company, not liable to retire by rotation.

Mr. Himanshu Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The Company has also received consent to act as a Director (DIR-2) and Declaration of Directorships in other Companies (DIR-8) from Mr. Himanshu Patel. The Company has also received a Declaration from him confirming that he meets with the criteria as prescribed under Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr. Himanshu Patel fulfils the conditions for appointment as Managing Director and he possesses appropriate skills, experience and knowledge. His continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Himanshu Patel as Managing Director. The Directors have evaluated performance of Mr. Himanshu Patel as per the performance evaluation criteria laid down in the policy formulated by Nomination & Remuneration Committee of Directors of the Company. In view of the above, it is recommended to appoint Mr. Himanshu Patel as Managing Director of the Company.

Brief resume of Mr. Himanshu Patel is annexed to this Notice.

The above statements may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

The Board recommends the Special 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.

Item No. 7

The existing Agreement of appointment of Mr. Aalap Patel as an Executive Director (Technical) is due to expire on December 30, 2022. Hence, the Board recommends his re-appointment as a Whole-time Director [designated as an Executive Director] of the Company for a further period of three years with effect from December 31, 2022.

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

I. General Information

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

II. Information about the Appointee:

Particulars	Mr. Aalap Patel
Background Details	Mr. Aalap Patel has completed his B.E. (Mechanical) from the University of Pune in the year 2009 and MBA in Global Management from the Thunderbird School of Global Management in the year 2013. He has nearly 10 years of experience in the engineering industry. Mr. Aalap Patel is a promoter/director in the following companies: 1. HN Indigos Private Limited
Past Remuneration	Mr. Aalap Patel was entitled to a monthly salary, including allowances, of Rs. 6,60,000/- (Rupees Six Lakhs Sixty Thousand only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as the Executive Director (Technical) of the Company w.e.f. December 31, 2016.
Recognition and Awards	N.A.
Job Profile and his suitability	He has control over the management in the technical areas of the Company's business in line with his qualification and experience in the business.
Remuneration proposed	Mr. Aalap Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary** : Annual salary of Rs.90,00,000/- **Perquisites** : Perquisites as specified in the draft agreement. **Annual Increment** : The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person	The remuneration payable to Mr. Aalap Patel is in line with that payable in the industry and the companies of similar size and nature.
Pecuniary Relations with the Company	Apart for receipt of remuneration as per the Agreement entered into with the Company, following companies in which Mr. Aalap Patel has direct/indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: • MaroliUdhyognagar Land Development and Management Company Private Limited • HLE Engineers Private Limited • Newpar Aromatics LLP • HN Indigos Private Limited • YashashviRasayan Private Limited • Yashaswati Foundation • M/s HL Equipments • Yash Speciality LLP

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

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

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

Pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) and applicable Article(s) of the Articles of Association of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 23, 2022, have recommended re-appointment of Mr. Aalap Patel as Executive Director of the Company for a period of three (03) year(s) w.e.f. December 31, 2022.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing appointment of Mr. Aalap Patel as Executive Director of the Company, not liable to retire by rotation.

Mr. Aalap Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The Company has also received consent to act as a Director (DIR-2) and Declaration of Directorships in other Companies (DIR-8) from Mr. Aalap Patel. The Company has also received a Declaration from him confirming that he meets with the criteria as prescribed under Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr. Aalap Patel fulfils the conditions for appointment as Executive Director and he possesses appropriate skills, experience and knowledge. His continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Aalap Patel as Executive Director. The Directors have evaluated performance of Mr. Aalap Patel as per the performance evaluation criteria laid down in the policy formulated by Nomination & Remuneration Committee of Directors of the Company. In view of the above, it is recommended to appoint Mr. Aalap Patel as Executive Director of the Company.

Brief resume of Mr. Aalap Patel is annexed to this Notice.

The above statements may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

The Board recommends the Special Resolution set out at item no. 7 of the Notice for approval by the members.

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

Item No. 8

The Board recommends the appointment of Mr.Harsh Patel as a Whole-time Director of the Company for a period of three years with effect from October 1, 2022.

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

1. **General Information**
   - Nature of Industry: Manufacturing of Glass-line Equipment Industry, Filtration and Drying Equipment and Chemical manufacturing

- Date of commencement of commercial production: March 5, 1992
- In case of new companies, expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus: N.A.
- Financial performance based on given indicators: N.A.
- Foreign investments or collaborations, if any: N.A.

2. Information about the Appointee:

Particulars	Mr. Harsh Patel
Background Details	Mr. Harsh Patel has completed B.E (Chemical Engineering) from the University of Mumbai and has completed MBA from the State University of New Jersey in 2002. He has more than 18 years of experience in the business of chemicals and engineering Mr. Harsh Patel is a promoter/director in the following companies: 1. Yashashvi Rasayan Private Limited 2. HLE Engineers Private Limited
Past Remuneration	Nil
Recognition and Awards	N.A.
Job Profile and his suitability	He has control over the management in the technical areas of the Company's business in line with his qualification and experience in the business.
Remuneration proposed	Mr. Harsh Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: Salary : Annual salary of Rs. 60,00,000 Perquisites : Perquisites as specified in the draft agreement. Annual Increment : The monthly salary will be increased atthe rate of 10% on annual basis or as may be decided by the Board.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person	The remuneration payable to Mr. Harsh Patel is in line with that payable in the industry and the companies of similar size and nature.
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: • HLE Engineers Private Limited • Yashashvi Rasayan Private Limited • M/s HL Equipments • Yash Speciality LLP

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

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

Date of Birth	September 9, 1977
Date of Appointment on the Board	December 31, 2016
Directorships held in other public companies	None
No. of shares held in the Company	18,59,580
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. December 31, 2016.

Pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) and applicable Article(s) of the Articles of Association of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 23, 2022, have recommended appointment of Mr. Harsh Patel as Whole-Time Director of the Company for a period of three (03) year(s) w.e.f. October 1, 2022.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing appointment of Mr. Harsh Patel as Whole-Time Director of the Company, not liable to retire by rotation.

Mr. Harsh Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The Company has also received consent to act as a Director (DIR-2) and Declaration of Directorships in other Companies (DIR-8) from Mr. Harsh Patel. The Company has also received a Declaration from him confirming that he meets with the criteria as prescribed under Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr. Harsh Patel fulfils the conditions for appointment as Whole-Time Director and he possesses appropriate skills, experience and knowledge. His continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Harsh Patel as Whole-Time Director. The Directors have evaluated performance of Mr. Harsh Patel as per the performance evaluation criteria laid down in the policy formulated by Nomination & Remuneration Committee of Directors of the Company. In view of the above, it is recommended to appoint Mr. Harsh Patel as Whole-Time Director of the Company.

Brief resume of Mr. Harsh Patel is annexed to this Notice.

The above statements may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

The Board recommends the Special Resolution set out at item no. 8 of the Notice for approval by the members.

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

Item No. 9

Presently the Authorised Share Capital of the Company is Rs. 20,60,00,000/- and its paid up share capital is Rs. 14,77,81,872/- consisting 1,36,53,096 equity shares of Rs. 10/- each and 18,75,152/- preference shares of Rs.6/- each. The equity shares of the Company are listed on BSE limited and traded on the National Stock Exchange of India Limited and BSE Limited.

In order to provide enhanced liquidity to the Company's equity shares in the stock market and to make it more affordable for small investors, it is proposed to sub-divide each equity share of face value of Rs. 10/- into two equity shares of the face value of Rs.2/- each pursuant to the provisions of Section 61(1) (d) of the Companies Act, 2013 ("the Act"), the rules made thereunder and other applicable provisions. The record date for the aforesaid sub-division of equity shares shall be fixed by the Board after the approval of the members is obtained for the proposed sub-division.

In the opinion of the Board, proposed sub-division of the equity shares is in the best interest of the Company and its investors and therefore the Board at its meeting held on June 06, 2022, approved the aforesaid sub-division subject to requisite approval of the members. There will not be any change in the amount of authorized, subscribed and paid-up share capital of the Company consequent upon sub-division of equity shares.

The sub-division of equity shares proposed under business item No. 9 of this Notice shall also require amendment to the existing Clause V of the Memorandum of Association of the Company of the Company. A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of this meeting. This item of special business does not relate to or affects any other company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution in the accompanying Notice. The Board recommends the above Special Resolution set out under item no. 9 of the Notice for approval of the Members.

Item No. 10

The Company, with a view to capitalize on available growth opportunities, continues to evaluate avenues for organic and inorganic growth. The proceeds from the Issue will be utilized (wholly or in part) one or more, or any combination, of the following: (i) for augmenting long term cash resources, (ii) funding the organic or inorganic growth opportunities in the area of the Company's operations and adjacencies, (iii) making investments in companies including in subsidiaries or otherwise (either through debt or equity or any convertible securities), (iv) growing existing businesses or entering into new businesses in line with the strategy of the Company, (v) pre-payment and/or repayment of outstanding borrowings, (vi) meeting working capital requirement of the Company or (vii) for any other general purposes as may be permissible under the applicable law and approved by the Board of directors of the Company or a duly constituted committee of the Board.

In line with the above, the Company proposes to raise funds through the issuance of equity shares of face value of Rs. 10/- each of the Company ("**Equity Shares**") and/or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) (collectively, the "**Securities**") for an aggregate amount of up to Rs. 350.00 Crores (Rupees Three Hundred and Fifty Crores) to eligible investors including eligible qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**")) and/or any other category of investors whether or not such investors are members of the Company, for cash, in one or more tranches by way of qualified institutions placement ("**QIP**") or a preferential issue or through any other permissible mode or any combination thereof of any of the above, subject to applicable laws, in terms of (a) the SEBI ICDR Regulations; (b) applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("**Companies Act**"); and (c) other applicable law (the "**Issue**"). Accordingly, the Board, at its meeting held on June 6, 2022, subject to the approval of the members of the Company, approved the issuance of Securities at such price and on such terms and conditions as may be deemed appropriate by the Board or a duly authorised committee of the Board, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager and/or other advisor(s) appointed in relation to the Issue, in accordance with applicable laws, and subject to regulatory approvals (as necessary). The Securities allotted will be listed and traded on stock exchange(s) where Equity Shares are currently listed, subject to obtaining necessary approvals. The offer, issue, allotment of the Securities shall be subject to obtaining of regulatory approvals, if any by the Company and prevailing market conditions.

Pursuant to Sections 23, 42 and 62 of the Companies Act, 2013, as amended read with applicable rules notified thereunder, including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI ICDR Regulations, a company offering or making an invitation to subscribe to Securities is required to obtain prior approval of the shareholders by way of a special resolution.

In terms of Section 62(1)(c) of the Companies Act, 2013, shares may be issued to persons who are not the existing shareholders of a company, if the Company is authorised by a special resolution passed by its members. Therefore, consent of the members is being sought for passing the special resolution, pursuant to applicable provisions of the Companies Act and other applicable law. The Securities offered, issued, and allotted by the Company pursuant to the Issue in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and any Equity Shares and/or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) that may be created, offered, issued and allotted by the Company shall rank, in all respects, pari-passu with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. In the event that Securities are issued through a QIP, the resolution enables the Board or its duly constituted committee, in accordance with applicable law and in consultation with the Lead Managers/ placement agents/underwriters or any such other intermediary, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the floor price determined in accordance with the SEBI ICDR Regulations.

In the event that Equity Shares are issued through a QIP, the 'relevant date' for the purpose of the pricing of the Equity Shares to be issued and allotted in the proposed QIP shall be decided in accordance with the applicable provisions of the SEBI ICDR Regulations, which shall be either the date of the meeting in which the Board/its duly constituted committee decides to open the QIP, as decided by the Board, which shall be subsequent to receipt of members' approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares. Further, in the event that eligible convertible securities are issued through a QIP, the "relevant date" for the purpose of pricing of such convertible securities shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP, or the date on which the holders of the eligible convertible securities are entitled to apply for Equity Shares.

As and when the Board does take a decision on matters on which it has discretion (subject to the compliance with the conditions set forth herein), necessary disclosures will be made to the Stock Exchange as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the fund raising, including issuance of Securities through the Issue will be decided by the Board or its duly constituted committee, in accordance with the SEBI ICDR Regulations, in consultation with book running lead managers and/or other advisor(s) appointed in relation to the Issue and such other authorities and agencies as may be required to be consulted by the Company.

Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – Issue shareholding and the shareholding pattern of the Company are not provided. The proposal, therefore, seeks to confer upon the Board or its duly constituted committee the absolute discretion and adequate flexibility to determine the terms of the Issue, including but not limited to the identification of the proposed investors in the Issue and quantum of Equity Shares to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013, the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended, and other applicable law.

The approval of the members is being sought to enable the Board or its duly constituted committee, to decide on the Issue, to the extent and in the manner stated in the special resolution, as set out in Item 10 of this notice, without the need for any fresh approval from the members of the Company in this regard.

Pursuant to the above, the Company may, in one or more tranches, issue and allot Equity Shares and/or other eligible Securities on such date as may be determined by the Board but not later than 365 days from the date of passing of the resolution or such other period as may be permitted under applicable law. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable.

Equity Shares, proposed to be issued, shall in all respects, rank pari passu with the existing Equity Shares of the Company.

If the Issue is made through a QIP, the Promoters will not participate by subscribing in the Issue.

None of the directors or key managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in the resolution set out at Item No. 10 of the Notice.

The proposed Issue is in the interest of the Company and the Board recommends the resolution set out at Item no. 10 of the notice for the approval of the members as a special resolution.

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs.1,00,000 (Rupees One Lakh Only) plus applicable tax and out-of-pocket expenses of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

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

Accordingly, ratification/approval by the Members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 11 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. 11 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 11 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

Date: June 6, 2022
Place: Maroli

Achal Thakkar
Company Secretary

ANNEXURE TO THE EXPLANATORY STATEMENT

Details of personnel seeking appointment at the 31st Annual General Meeting as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Name of the Director	Mr. Himanshu Patel	Mr. Aalap Patel
DIN	00202312	06858672
Date of Birth	18/08/1952	17/10/1987
Date of Appointment	31/12/2019 (date of first appointment 31/12/22016)	31/12/2019 (date of first appointment 31/12/22016)
Qualifications	B.E. (Electrical)	B.E. (Mechanical), MBA
Terms & Conditions of Appointment / Re-Appointment	Re-appointment as a Managing Director of the Company for a further period of three years with effect from December 31, 2022.	Re-appointment as an Executive Director of the Company for a further period of three years with effect from December 31, 2022.
Details of Last Remuneration Drawn	Mr. Himanshu Patel was entitled to a monthly salary, including allowances, of Rs. 8,25,000/- (Rupees Eight Lakhs Twenty Five Thousand only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as a Managing Director of the Company w.e.f. December 31, 2016.	Mr. Aalap Patel was entitled to a monthly salary, including allowances, of Rs. 6,60,000/- (Rupees Six Lakhs Sixty Thousand only), with an annual increment @ 10% or as may be decided by the Board, on his appointment as the Executive Director (Technical) of the Company w.e.f. December 31, 2016.
Details of Proposed Remuneration	Mr. Himanshu Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary**: Annual salary of Rs. 1,08,00,000/-. **Perquisites**: Perquisites as specified in the draft agreement. **Commission**: At the rate of 1% on the net profit of the Company. **Annual Increment**: The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board.	Mr. Aalap Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary**: Annual salary of Rs.90,00,000/- **Perquisites**: Perquisites as specified in the draft agreement. **Annual Increment**: The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board.
Nature of Expertise / Experience	He is having more than 45 years of experience in the business of chemicals and engineering.	He has nearly 10 years of experience in the engineering industry.
Names of Listed Entities in Which Directorship is held	HLE Glascoat Limited	HLE Glascoat Limited
Names of Listed Entities from which resigned in the Past Three Years	Nil	Nil
Names of Listed Entities in which Membership of Committees of the Board is held	Nil	HLE Glascoat Limited: • Chairman of RMC Committee • Member of Audit Committee, SRC Committee, and CSR Committee
No. of share held	35,95,707	1,88,833
No. of Board Meetings attended	Six (06)	Six (06)
Relationship with other Directors/ KMPs	He is father of Mr. Harsh Patel, Brother of Mr. Nilesh Patel and Uncle of Mr. Aalap Patel. All are appointed as Directors of the Company w.e.f. December 31, 2016	He is the son of Mr. Nilesh Patel, Nephew of Mr. Himanshu Patel and First Cousin of Mr. Harsh Patel. All are appointed as Directors of the Company w.e.f. December 31, 2016.

Name of the Director	Mr. Harsh Patel	Mr. Nilesh Patel
DIN	00141863	00141873
Date of Birth	09/09/1977	24/07/1961
Date of Appointment	31/12/2016 (date of first appointment)	31/12/2016 (date of first appointment 31/12/22016)
Qualifications	B.E (Chemical Engineering), MBA	B.Sc. (Chemistry)
Terms & Conditions of Appointment / Re-Appointment	Appointment as Whole-time Director of the Company for a period of three years with effect from October 1, 2022.	Appointment of a Director who retire by rotation and being eligible, offers himself for reappointment
Details of Last Remuneration Drawn (FY 2021-22)	Nil	Nil
Details of Proposed Remuneration	Mr. Harsh Patel shall be paid remuneration as decided by the Nomination and Remuneration Committee, details of which are as under: **Salary**: Annual salary of Rs. 60,00,000 **Perquisites**: Perquisites as specified in the draft agreement. **Annual Increment**: The monthly salary will be increased at the rate of 10% on annual basis or as may be decided by the Board.	Nil
Nature of Expertise / Experience	He has more than 18 years of experience in the business of chemicals and engineering.	He has more than 26 years of experience in the business of chemicals and engineering.
Names of Listed Entities in Which Directorship is held	HLE Glascoat Limited	HLE Glascoat Limited
Names of Listed Entities from which resigned in the Past Three Years	Nil	Nil
Names of Listed Entities in which Membership of Committees of the Board is held	HLE Glascoat Limited: - Member of SRC Committee	Nil
No. of share held	18,59,580	36,39,127
No. of Board Meetings attended	Five (05)	Six (06)
Relationship with other Directors/ KMPs	He is son of Mr. Himanshu Patel, Nephew of Mr. Nilesh Patel and First Cousin of Mr. Aalap Patel. All are appointed as Directors of the Company w.e.f. December 31, 2016.	He is father of Mr. Aalap Patel and Brother of Mr. Himanshu Patel and Uncle of Mr. Harsh Patel. All are appointed as Directors of the Company w.e.f. December 31, 2016

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

   – 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 N**SDL 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.

   – 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 4 days in advance with the company on the email id share@hleglascoat.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.

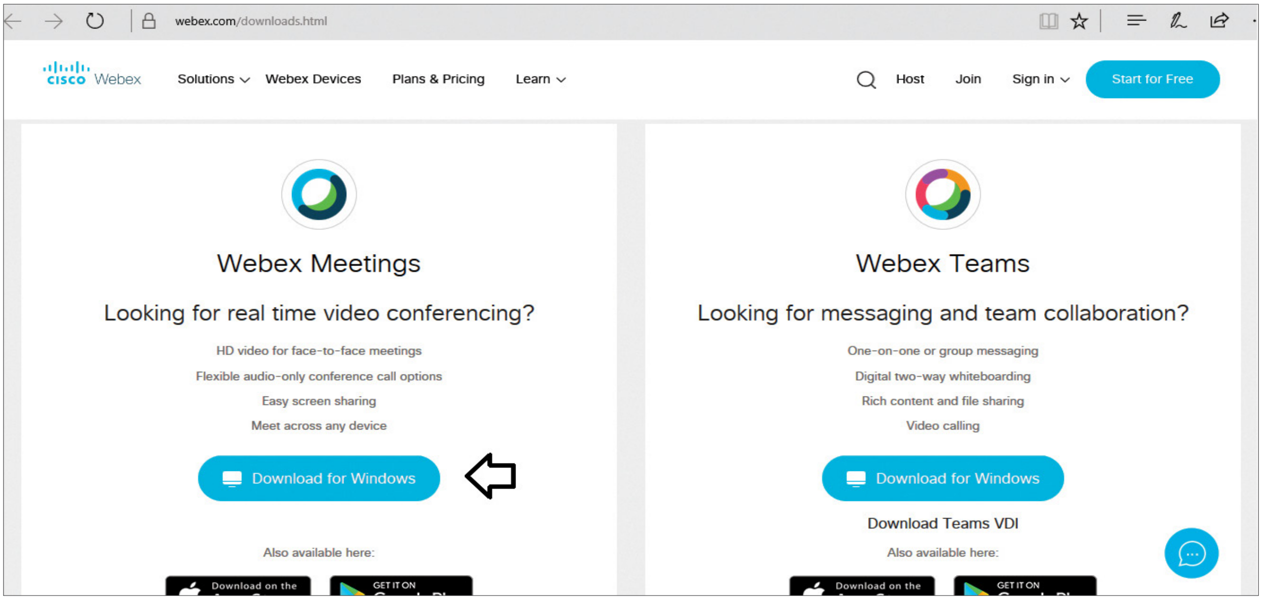
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

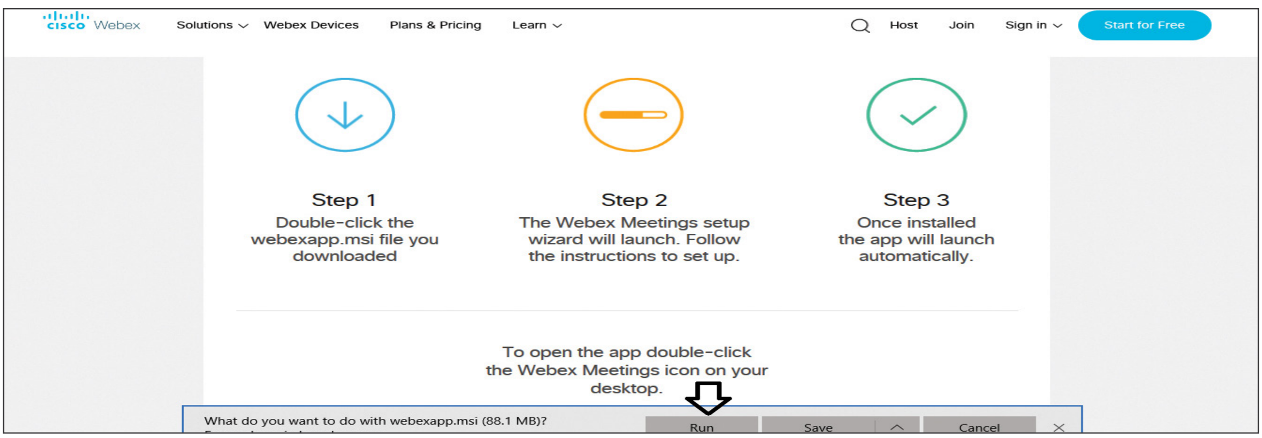
Annexure

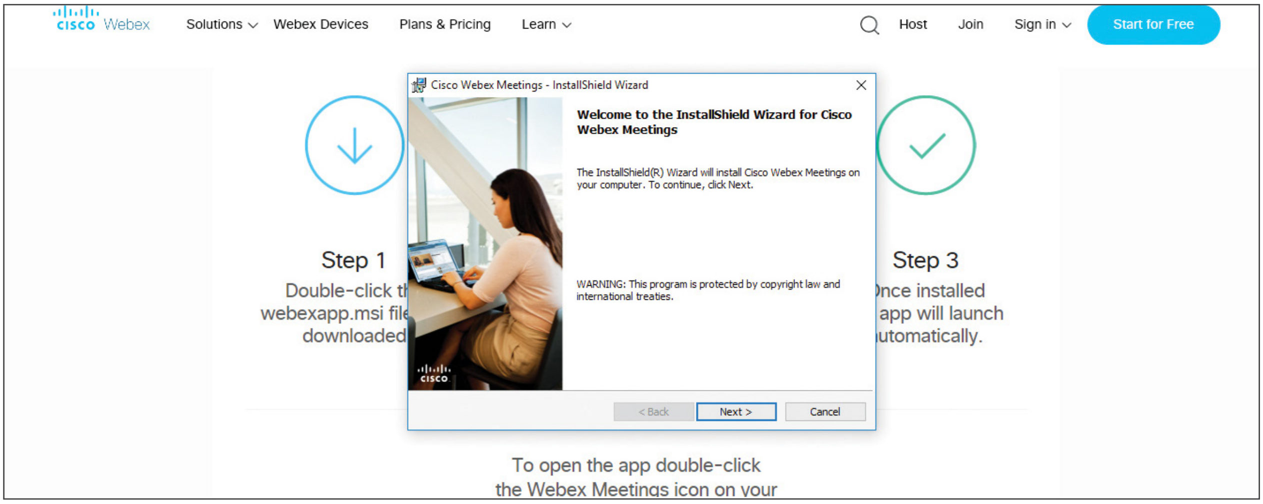
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

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/






Cisco Webex
Solutions
Webex Devices
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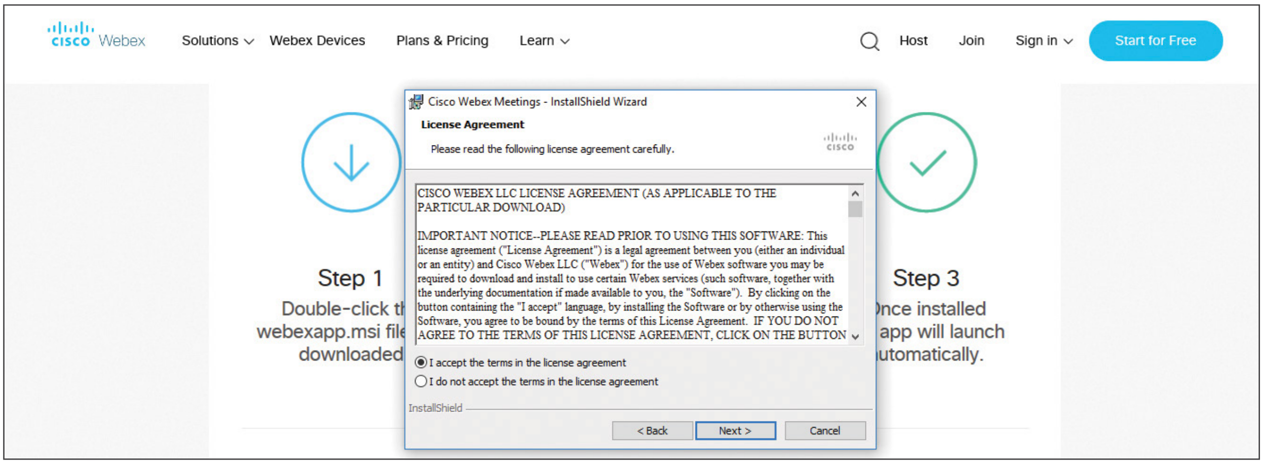
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Double-click th
webexapp.msi file
downloaded
Step 3
Once installed
app will launch
automatically.
To open the app double-click
the Webex Meetings icon on your


Cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON
I accept the terms in the license agreement
I do not accept the terms in the license agreement
InstallShield
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Cancel
Step 1
Double-click th
webexapp.msi file
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Step 3
Once installed
app will launch
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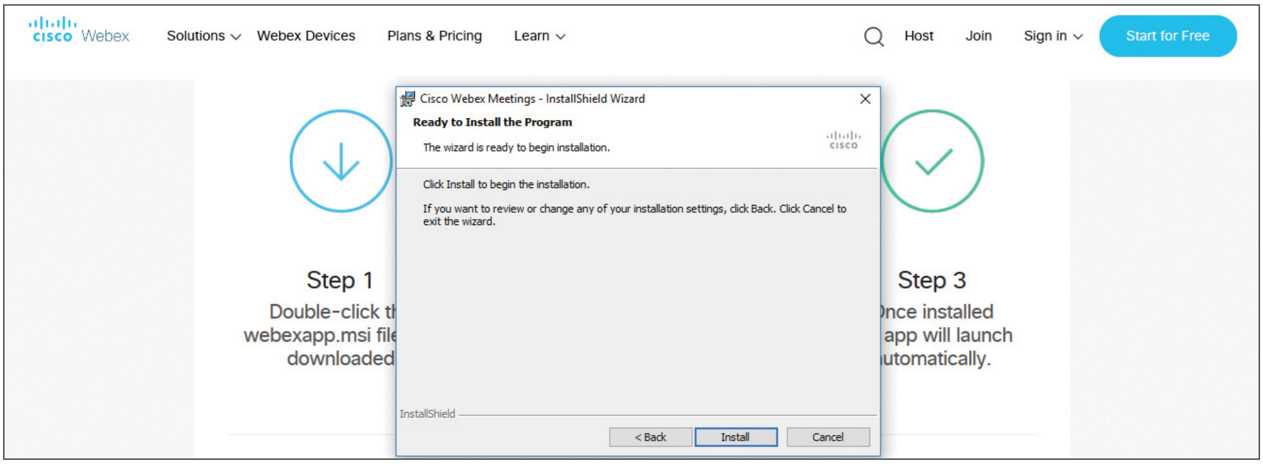
Cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
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Install
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Step 1
Double-click th
webexapp.msi file
downloaded
Step 3
Once installed
app will launch
automatically.

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's Report

Dear Members,

Your directors are pleased to present the 31st Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs, except EPS)

PARTICULARS	Consolidated		Standalone	
	2021-22	2020-21*	2021-22	2020-21*
Revenue from Operations	65,221.82	48,448.93	50,848.93	42,071.11
Other Income	803.56	393.32	1,386.31	1,200.33
Total Income	66,025.38	48,842.35	52,235.24	43,271.44
Profit before Finance Costs, Depreciation, Exceptional Items, Extraordinary Items and Tax	11,776.38	9,558.77	10,137.19	8,929.07
Less: Finance Costs	1,311.10	973.70	1,131.16	943.35
Profit before Depreciation, Exceptional Items, Extraordinary Items and Tax	10,465.28	8,585.07	9,006.03	7,985.72
Less: Depreciation/Amortisation/Impairment	1,122.58	860.99	909.18	836.55
Profit before Exceptional Items, Extraordinary Items and Tax	9,342.70	7,724.08	8,096.85	7,149.17
Less: Exceptional Items and Extraordinary Items	911.42	-	-	-
Profit before Tax	8,431.28	7,724.08	8,096.85	7,149.17
Less: Current Tax, net of earlier year adjustments	2,568.77	2,396.05	1,883.82	1,926.53
Less: Deferred Tax	39.17	(9.07)	36.55	(12.09)
Profit after Tax for the financial year (A)	5,823.34	5,337.10	6,176.48	5,234.73
Profit for the financial year from Continuing Operations	6,067.10	5,113.99	6,420.24	5,011.62
Profit for the financial year from Discontinuing Operations	(243.76)	223.11	(243.76)	223.11
Profit for the financial year (A)	5,823.34	5,337.10	6,176.48	5,234.73
Total Other Comprehensive Income/Loss (B)	131.80	(39.54)	38.60	(39.54)
Total Comprehensive Income for the financial year (A+B)	5,955.14	5,297.56	6,215.08	5,195.19
Earnings Per Share (EPS in Rupees)				
From Continuing Operations				
Basic	44.44	39.41	47.02	38.63
Diluted	44.44	39.41	47.02	38.63
From Discontinuing Operations				
Basic	(1.79)	1.72	(1.79)	1.72
Diluted	(1.79)	1.72	(1.79)	1.72

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

BUSINESS OVERVIEW

The overall economic scenario during the financial year 2021-22 was robust. The Indian Engineering Sector has witnessed an encouraging growth over the last few years driven by increased investments in infrastructure and industrial capacities. The growth of the Engineering Sector is an important barometer of the country's economic progress, and the trends appear to be positive. The key end users of the Company's products viz. the Agrochemical, Specialty Chemical, Dyes, Pigment and the Active Pharmaceutical Ingredient manufacturers are witnessing an unprecedented increase in their long-term demand and this portends well for your Company's prospects. Your Company achieved an enhanced standalone sales turnover of Rs. 50,848.93 lakhs as against Rs. 42,071.11 lakhs during the previous year (growth of 20.86%), with EBITDA of Rs. 9,006.03 lakhs as against Rs. 7,985.72 lakhs during the previous year and Net Profit After Tax of Rs. 6,176.48 lakhs as against Rs. 5,234.73 lakhs during the previous year (growth of 17.99%). With regard to the Consolidated financial performance, your Company achieved an enhanced consolidated sales turnover of

Rs. 65,221.82 lakhs as against Rs. 48,448.93 lakhs during the previous year (growth of 34.62%), with EBITDA of Rs. 10,465.28 lakhs as against Rs. 8,585.07 lakhs during the previous year and Net Profit After Tax of Rs. 5,823.34 lakhs as against Rs. 5,337.10 lakhs during the previous year (growth of 9.11%). Your Directors attribute this improved performance, apart from the market growth and external factors, to various steps taken by the management in multiple facets of the business viz. increased manufacturing capacity, improvements in production processes, improved planning, focus on timely delivery and better marketing coverage.

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

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Thaletec, GmbH and Thaletec Inc., USA

During FY 2021-22, your Company had entered into a Share Purchase Agreement with the erstwhile promoters for acquisition of their entire 100% shareholding in THALETEC GmbH on a fully diluted basis.

Further, on December 17, 2021, the Company completed the acquisition of 100% shareholding of Thaletec, in line with the Share Purchase Agreement executed earlier. Thaletec has a wholly owned subsidiary, Thaletec Inc., USA, The acquisition of 100% shareholding of Thaletec has been completed for an aggregate consideration of Euro 12 Million, which has been fully remitted.

Thaletec GmBH's management has converted the financial information from accounting principles generally accepted in their respective country to accounting principles generally accepted in India, whose financial results and Group's share reflect total assets of Rs. 16,582.63 lakhs as at and total revenue of Rs. 7,592.07 lakhs, total net profit after tax of Rs. 604.76 lakhs and total comprehensive income of Rs. 697.96 lakhs for the period from December 17, 2021 to March 31, 2022, as considered in the Consolidated Audited Financial Statements. For Thaletec USA, a step-down subsidiary, financial results and Group's share reflect total assets of Rs. 623.54 lakhs, total revenue of Rs. 42.11 lakhs, of total net profit after tax and total comprehensive income of Rs. 3.86 lakhs for the period from December 17, 2021 to March 31, 2022, as considered in the Consolidated Audited Financial Statements.

H L Equipments ("HLEQ" or "the Firm")

H L Equipments 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. 86.33 crores (previous year Rs. 77.94 crores) for the year ended March 31, 2022 and earned EBITDA of Rs. 12.38 crores (previous year Rs. 14.50 crores) for the same period. Considering the new greenfield plant being implemented by your Company in Silvassa, it is intended that the Firm will gradually scale down its operations and the manufacturing operations will be relocated to the new plant, which has a considerably higher capacity and potential for future growth.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 5 (@50%) per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2022. The Dividend, subject to the approval of Members at the Annual General Meeting 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 9.50% non-convertible, cumulative, redeemable preference share for the year 2021-22.

TRANSFER TO RESERVES

The Board of Directors of your Company has decided to transfer Rs. 2,000 lakhs to General Reserve for the year under review.

SHARE CAPITAL

Your Company's paid-up Share Capital as on March 31, 2022 was Rs. 14.78 crores, comprising of 1,36,53,096 equity shares of Rs. 10 each, fully paid up and 18,75,152, 9.50% non-convertible, cumulative, redeemable preference shares (NCCRPS) having paid-up value of Rs. 6 per share (Rs. 4 has been redeemed as per the terms of issue of NCCRPS).

During the financial year under review, your Company had 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.

Your Company had approved in Board Meeting dated May 5, 2021 conversion of 385,161 Series A Warrants into 3,85,161 Equity Shares of Rs. 10 each at a premium of Rs. 1,375 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 December 1, 2020.

Further, your Company had also approved in the Board Meeting dated September 23, 2021 conversion of 1,92,455 Series B Warrants into 192,455 Equity Shares of Rs. 10 each at a premium of Rs. 1,375 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 December 1, 2020.

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

During the year, the Company had not made any provisions of money or had 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 had 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 2021-22, and as such no amount of principal or interest on deposit from public or Members, was outstanding as of the Balance Sheet date.

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 "A" (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: https://hleglascoat.com/wp-content/uploads/2021/08/522215_INTIMATION-OF-CRA-RATINGS-REG.-30__16.08.21.pdf.

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 no. 28(c) 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 2021-22 and in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Rules made there under:

- Dividend amounting to Rs. 5.43 lakhs pertaining to the financial year 2013-14, 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. 5.33 lakhs have been transferred to the IEPF Authority towards the final equity dividend declared for financial year 2020-21 at the Annual General Meeting held on September 7, 2021, for the 1,38,430 equity shares held by the IEPF Authority.

- 8,200 equity shares of Rs. 10 each have been transferred to the IEPF Authority after compliance of due procedures as prescribed and 2100 shares have been claimed by the Shareholders from the IEPF Authority.

Details of Nodal Officer

In accordance with Rule 7(2A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer

and Refund) Rules, 2016, the details of Nodal Officer of the Company, for the purpose of coordination with Investor Education and Protection Fund Authority are as under:
Name : CS Achal S Thakkar
Designation : Company Secretary & Nodal Officer
Postal Address : H-106, GIDC Estate, Vitthal Udyognagar, Anand - 388121, Gujarat, India.
Telephone No. : 02692-236842-45
E-mail ID : share@hleglascoat.com

The Company has also displayed the details of Nodal Officer at its website at www.hleglascoat.com

RELATED PARTY TRANSACTIONS

Your Company has adopted a policy on Related Party Transactions and the said Policy is available in Policies section on https://hleglascoat.com/wp-content/uploads/2022/02/POLICY-FOR-RELATED-PARTY-TRANSACTIONS_11.02.2022-1.pdf

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 meetings of the Audit Committee, Board of Directors and the Shareholders, as may be required, for their approval. Prior approval/s of the Audit Committee/Board/Shareholders, as may be required, including omnibus approvals, if any, 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 makes best effort 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 2021-22 has been uploaded on the Company's website: https://hleglascoat.com/corporate-governance/ 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 November 4, 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 recognizes the importance of managing risk in the business to sustain growth. Pursuant to provisions of Regulations 17 and 21 of SEBI Listing Regulations and Sections 134 and 177 of the Companies Act,2013 ("the Act") and other applicable provisions, if any, of the SEBI Listing Regulations and the Act, the Board of Directors of the Company has approved and framed "Risk Management Policy" of the Company, which is available on the website of the Company i.e. https://hleglascoat.com/wp-content/uploads/2021/09/HGL_RISK-MANAGEMENT-POLICY.pdf. The Risk Management Policy has a detailed risk assessment and minimization procedures and 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. economic risk, production risk, inventory management risk, technology risk, competition risk, financial risk, raw material price fluctuation risk, pandemic risk, human resource risk, reputation risk, legal risk, regulatory risk, cyber risk, etc.

Your Company has also formed Risk Management Committee, having the following members:

a. Mr. Aalap Patel	-	Chairperson (Executive Director-Technical)
b. Mr. Sandip Randery	-	Member (Independent Director)
c. Mr. Yatish Parekh	-	Member (Independent Director)

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

The risks faced by the Company and the various measures taken by the Company are detailed in Management Discussion and Analysis section.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

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

The term of Mr. Himanshu Patel (DIN 00202312), Managing Director, shall expire on December 30, 2022 and hence, the Board recommends his re-appointment as a Managing Director of the Company for a further period of three years with effect from December 31, 2022 at the ensuing Annual General Meeting. The term of Mr. Aalap Patel (DIN 06858672), Executive Director, shall expire on December 30, 2022 and hence, the Board recommends his re-appointment as an Executive Director of the Company for a further period of three years with effect from December 31, 2022 at the ensuing Annual General Meeting. The Board also recommends appointment of Mr. Harsh Patel (DIN 00141863) as a Whole-Time Director of the Company for a period of three years with effect from October 1, 2022 at the ensuing Annual General Meeting. The brief profile of Mr. Himanshu Patel, Mr. Aalap Patel and Mr. Harsh Patel have been given in the Notice convening the Annual General Meeting.

Further, the Board of Directors of the Company, at its meeting held on May 23, 2022 had approved Notice of Postal Ballot seeking approval of the shareholders by way of an Special Resolutions for re-appointment of Mr. Yatish Parekh (DIN: 00168488) and Mr. Sandeep Randery (DIN 07663581) as Independent Directors of the Company for a period of five (5) years.

The day-to-day operations of your Company are managed by its Key Managerial Persons ("KMPs). The details of the Key Managerial Persons ("KMP") and the change in KMP during the year and upto the date of this report are : 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 (upto March 31,2022), Mr. Naveen Kandpal, Chief Financial Officer of the Company (w.e.f March 1,2022) and Ms. Dhwani Shah, Company Secretary (upto January 31, 2022), Mr. Achal Thakkar, Company Secretary (w.e.f May 10, 2022).

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. The Policy is available on the Company's website: https://hleglascoat.com/wp-content/uploads/2021/04/POLICY-FOR-APPOINTMENT-OF-DIRECTORS1.pdf.

BOARD OF DIRECTORS AND COMMITTEES FORMED THEREUNDER

The Board of Directors has constituted the following Statutory Committees:

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

NUMBER OF BOARD MEETINGS

The Company has complied with the provisions for holding Board Meetings and the gap between any two meetings did not exceed 120 days. Six (06) Meetings of the Board of Directors of the Company were held during the year under review on June 12, 2021, August 14, 2021, September 17, 2021, November 13, 2021, December 15, 2021 and February 11, 2022.

CONFIRMATION BY INDEPENDENT DIRECTORS

The Independent Directors have confirmed their independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They also confirmed compliance of Rule 6(1) and 6(2) of Companies (Appointment and Qualification of Directors) Rules, 2014.

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 2021-22, 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.

(i) The Board, in its Meeting held on February 11, 2022, has carried out the evaluation task of the Committees formed by the Board and the Independent Directors individually for the period from January 1, 2021 to December 31, 2021. 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 February 11, 2022, 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 January 1, 2021 to December 31, 2021. 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 February 11, 2022, 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 January 1, 2021 to December 31, 2021. 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 Managing Director and Executive Director 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 is available on the Company's website: https://hleglascoat.com/wp-content/uploads/2021/04/CSR-POLICY.pdf 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 2021-22, 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 2021-22, 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: https://hleglascoat.com/wp-content/uploads/2021/04/WHISTLE-BLOWER.pdf

DIVIDEND DISTRIBUTION POLICY

As per the recent amendment in the SEBI Listing Regulations, the Dividend Distribution Policy has been made applicable to Top 1000 companies as per Market Capitalization as on March 31, 2021. Accordingly, the Board of Directors of the Company at its Meeting held on June 12, 2021 has adopted "Dividend Distribution Policy" effective from June 12, 2021, which is available on the Company's Website at https://hleglascoat.com/corporate-governance/.

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. No unresolved complaints were there as on the start of the financial year, no complaints were received during the year and no complaints were pending to be resolved as at the end of the financial year.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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 if any, 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 at the 26th Annual General Meeting to hold the office from conclusion of 26th Annual General Meeting to conclusion of 31st Annual General Meeting.

The Auditors Report given by M/s. M. M. Nissim & Co. LLP, Statutory Auditors, on the Financial Statements of your Company, for the year ended March 31, 2022, forms part of the Annual Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

The term of existing Statutory Auditors M/s. M. M. Nissim & Co. LLP, Chartered Accountants (Firm Registration No. 107122W/W100672) of the Company will expire on conclusion of the ensuing 31st Annual General Meeting and it is recommended to the shareholders to re-appoint the said statutory auditors for a second term of five years to hold office from the conclusion of the 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company. The Company has received consent and non-disqualification certificate from M/s. M. M. Nissim & Co. LLP, for the said appointment.

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 AUDITORS AND SECRETARIAL AUDIT REPORT

The Company had 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 in accordance with Section 204 of the Act. The Report on Secretarial Audit issued by the Secretarial Auditors for the financial year 2021-22, in Form MR-3, is annexed hereto in **Annexure- IX** 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, Practicing Company Secretaries (C P No. 6628), as the Secretarial Auditors for the financial year 2022-23. The Company has received the consent from M/s. D. G. Bhimani and Associates 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.

INTERNAL AUDITORS

CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) had conducted the internal audit of your Company for the Anand works for the financial year 2021-22 and M/s. AKMK Associates, Chartered Accountants (Firm Registration No.: 136206W) had conducted the internal audit of your Company for the Maroli works for the financial year 2021-22.

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 2022-23.

The Company has received the consent from the respective firms 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 2021-22 of the said records was carried out by M/s. Nanty Shah & Associates, Cost Accountants (Membership No. 31497), the Cost Auditor appointed by the Company.

Further, the Board on the recommendation of the Audit Committee, has appointed M/s. Nanty Shah & Associates, Cost Accountants (Membership No. 31497), as the Cost Auditors of the Company for the financial year 2022-23. 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 2022-23 as per details provided in the Notice of the ensuing Annual General Meeting.

LISTING REGULATIONS COMPLIANCE/LISTING PERMITTED TO TRADE ON NSE

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

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Secretarial Standards except as mentioned in detail in the Corporate Governance Report forming part of the Board's Report. There has been no other penalty/stricture imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during last three financial years.

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 1) 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); 2) During FY 2021-22, with 100% acquisition of shares through a Share Purchase Agreement, THALETEC GmbH ("**Thaletec**") (a company incorporated in Germany) has become subsidiary of the Company; and 3) Thaletec has a wholly owned subsidiary, **Thaletec Inc., USA**, which has also become wholly owned subsidiary of the 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 was 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

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN: 06858672)

Place: Maroli
Date: May 23, 2022

ANNEXURE - I TO THE BOARD'S REPORT

FORM NO. AOC-2

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

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

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

During the year, the Company 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 arrangements or transactions at arm's length basis

The details of material contracts or arrangements or transactions entered during the year under review on 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")	HEPL was a promoter of the Company prior to the implementation of the Scheme of Arrangement; Mr. Himanshu Patel - Managing Director, Mr. Nilesh Patel and Mr. Harsh Patel - Non-Executive Directors of the Company are the Directors and shareholders of HEPL; Mr. Aalap Patel – Executive Director (Technical) of the Company, is the shareholder of HEPL.	12 months	Period of Transactions: April 1, 2021 to March 31, 2022 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.	February 12, 2021	Nil
2. Purchase/Sales of Goods and/or Services (including sales returns and purchase return)					
HN Indigos Private Limited	Mr. Himanshu Patel - 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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	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 YashSpeciality Chemicals LLP Mr. Nilesh Patel - Non Executive Director of the Company is a Partner in YashSpeciality Chemicals LLP Mr. Himanshu Patel - 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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	Nil
5. Purchase/Sales of Goods and/or Services (including sales returns and purchase return)					
Yashashvi Rasayan Private Limited	Mr. Himanshu Patel - 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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	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 – 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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	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 - 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: April 1, 2021 to March 31, 2022 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.	February 12, 2021	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: April 1, 2020 to March 31, 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.	February 11, 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
9. Appointment of Related Party to place of profit					
Ms. Sheetal Harsh Patel	Mr. Harsh Patel- Non Executive Director is the spouse of Ms. Sheetal Patel; while Mr. Himanshu Patel- Managing Director of the Company is her father-in-law.	10 years	Period of Agreement: September 1, 2021 to August 31, 2031 The maximum value of rent paid is as per the terms of agreement and within the limits as permissible and approved by the Audit Committee/Board.	August 14, 2021	Nil

By the Order of the Board of
HLE Glascoat Limited

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN: 06858672)

Date: May 23, 2022
Place: Maroli

ANNEXURE - II TO THE BOARD'S REPORT

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 MARCH 31, 2022

(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 endeavors 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.

VII. Certain other actions have been initiated after FY 2021-22 and till the date of report, which are Refurbishment of APFC panel for improvement of power factor; CFM & KWH meter installation process for monitoring consumption of Compressed Air which will ultimately help in taking required measures for optimized consumption of Compressed Air in operations; and Automation of Bore-well pumps.

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

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

- One (01) Windmill with an installed capacity of 1.25 MW at Baradiya in Jamnagar, Gujarat in Financial Year 2009-10 and it has generated over 18.48 lakhs units in Financial Year 2021-22 which has been fully utilized during the period under review.
- Two (02) 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 3.35 Lacs units in Financial Year 2021-22 which has been fully utilized during the period under review.
- Solar plant at Maroli works: KWH Generation 1.76 Lacs units in FY 2021-22.

(iii) Capital investment on energy conservation equipment (if any)

- None

(B) Technology Absorption, Adaption and Innovation-

a. Procurement and installation of CNC TURRET PUNCHING MACHINE (AMADA MAKE) for making perforated plate of ANF/ANFD. This ensures efficiency of operations of ANFD throughout lifecycle.

b. Fabrication of Deck Decompression Chambers Custom made Equipment manufactured for Unique hydra/Indian Navy.

(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	2,924.07
2.	Total Foreign Exchange Earned	3,869.70

By the Order of the Board of
HLE Glascoat Limited

	Sd/-	Sd/-
	Himanshu Patel	**Aalap Patel**
Date: May 23, 2022	Managing Director	Executive Director
Place: Maroli	(DIN: 00202312)	(DIN: 06858672)

ANNEXURE - III TO THE BOARD'S REPORT

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

Directors and KMPs	% Increase in remuneration in 2021-22	Ratio of Remuneration to MRE^ for financial year	
		Excl. KMP	Incl. KMP
Managing Director	12.88	55.06	53.56
Executive Director (Technical)	21.62	23.21	22.58
Company Secretary	8.90	2.69	2.61
Chief Financial Officer *	-8.51	9.75	9.48

Median remuneration of employee	% change in median remuneration in
Excl. Remuneration of KMPs	11.78
Incl. Remuneration of KMPs	13.71

The remuneration provided herein is CTC to the Company.

* During the previous FY 2020-21, Mr. Suryakant Dave was CFO upto May 10, 2020. Further, Mr. K V Unnikrishnan had been appointed w.e.f. June 20, 2020. During FY 2020-21 Mr. K V Unnikrishnan was the CFO of the Company upto March 31, 2022 on account of his resignation and Mr. Naveen Kandpal was appointed as CFO in his place. Hence, the total percentage increase in the remuneration of the CFO in FY 2020-21 and FY 2021-22 are not directly comparable.

^ Median 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.

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

During the financial year 2021-22, 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 March 31, 2022	Excl. KMPs	Incl. KMPs
	532	535

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 2021-22
Average Salary of the employees (excl KMP)	5.27%
Average Salary of KMPs	5.82%
Justification/ information of exceptional circumstances for increase in managerial remuneration	Not Applicable

By the Order of the Board of
HLE Glascoat Limited

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN: 06858672)

Date: May 23, 2022
Place: Maroli

ANNEXURE - IV TO THE BOARD'S REPORT

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

Sr. No	Names of Employees	Designation	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	Ganesh Iyer	Sr. VP Operations	57.48	Permanent	BE Mechanical	January 18, 2022	55	Larsen & Toubro Ltd.	0	None
2	Bharat Dhanak	VP Marketing	55.69		B.com, PG (IT)	October 5 2011	44	Standard Radiator Pvt Ltd	0	
3	Manish Patil	GM - Design & Engineering	44.00		M.E	January 18, 2022	44	Tapasya Eng. Pvt. Ltd.	0	
4	Harshal Barot	Head of People Success	42.64		BE Mechanical	January 18, 2018	42	GE Power India Ltd	0	
5	Nilesh Parekh	GM - HR	39.04		MSW, B.Sc	January 21, 2019	52	Coromandel International Ltd	0	
6	Vinod Dhakre	Sr. GM - Sales & Marketing	38.80		BE Mechanical	January 16, 2020	51	IDEA Paradise Technology Pvt. Ltd.	0	
7	Yogesh Khairnar	GM-Marketing	36.93		BE Mechanical & Chartered Engineer from AIChE	December 16, 2019	47	IDMC Limited	0	
8	Dinesh Patel	GM – Production	34.10		Diploma Mechanical	April 1, 2020	50	ISGEC Hitachi Zosen Limited	0	
9	Rajesh Desmukh	GM-Manufacturing	31.94		BE Mechanical	January 16, 2020	52	Artson Engineering Limited	0	
10	Dr. Vijay Kute	General Manager – R&D	31.21		B. Sc. M. Sc. PhD	May 25, 2020	48	S H Kelkar & Co.	0	

By the Order of the Board of
HLE Glascoat Limited

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN: 06858672)

Date: May 23, 2022
Place: Maroli

ANNEXURE - V TO THE BOARD'S REPORT

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")
3.	Registered address	H-106, GIDC Estate, V. U. Nagar – 388121, Dist. Anand, Gujarat
4.	Website	www.hleglascoat.com
5.	E-mail id	share@hleglascoat.com
6.	Telephone	(02692) 236842 to 236845
7.	Financial Year reported	Year ended March 31, 2022
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. Equipment Spares and Components
9.	Total number of locations where business activity is undertaken by the Company: i. Number of international locations (Provide details of major 5) ii. Number of national locations	- 21 Details of Major 5 international locations: Apart from the Indian domestic market, the Company has business in USA, Europe, Russia, Canada, Israel 11
10.	Markets served by the Company – Local/State/National/ International/	HGL provides its products to all clientele, whether Local, State, National or International

Section B: Financial Details of the Company

1.	Paid up Capital (Rs. in lakhs)	1,477.82 *includes paid up equity and preference share capital
2.	Total Turnover (Rs. in lakhs)	50,848.93 (standalone)
3.	Total profit after taxes (Rs. in lakhs)	6,215.08 (standalone)
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. 110.75 lakhs which is excess of 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 Report.

Section C: Other Details

1.	Does the Company have any Subsidiary Company/Companies?	The Company has a wholly owned subsidiary Thaletec GmbH, in Thale, Germany. Thaletec GmbH has a wholly owned subsidiary Thaletec Inc. in USA. 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)	No.
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. Achal Thakkar iii. Designation: Company Secretary iv. Telephone number: (02692) 236842 v. Email id: achal.thakkar@hleglascoat.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 specific 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.
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	-	Y	Y	-	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?	The 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. 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								
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								
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 discussion on 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 public or regulatory policy

3. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	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.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	This isthesecond Business Responsibility Report being published in the Annual Report for the financial year 2021-22. The same shall be published on an annual basis. A copy of the Annual 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 their performance with integrity. The employees of the Company are expected to adhere to the Code and report its violation to the Compliance Officer, as and when observed. Also, the Senior Managerial Personnel are expected to affirm the Code on an 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. Compliance with the statutory requirements has always been one of the focus areas. There is an established 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 is also aligned with 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 2021-22 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, 7 (seven) complaints were received from the shareholders, which has been satisfactorily resolved.

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:

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):

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

- 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 and 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 March 31, 2022.	923
2	Total number of employees hired on temporary/contractual/ casual basis as on March 31, 2022.	1,200
3	Total Number of permanent women employees as on March 31, 2022.	33
4	Total Number of permanent employees with disabilities as on March 31, 2022.	6
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 March 31, 2022.	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 your under mentioned employees were given safety & skill up-gradation training in the last year? • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities	Being one of the leading manufacturers of process equipment, it is 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 team building it also participates in certification or external technical upgradation, seminars, conferences and symposiums to build capabilities in a holistic way. **Category** — **Skill-Upgradation Trainings** • Permanent Employees 203 • Permanent Women Employees 8 • Casual/Temporary/Contractual Employees 700 • Employees with Disabilities 0 **Category** — **Safety Trainings** • Permanent Employees 550 • Permanent Women Employees 23 • Casual/Temporary/Contractual Employees 1200 • Employees with Disabilities 1

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 and 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.

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 2021-22.

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.	Your 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: – 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
	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)	Refer Note above in 2a of Section D

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 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 Rs. and the details of the projects undertaken	During the financial year 2021-22, your Company contributed Rs. 110.75 lakhs towards its CSR initiatives. For more details, please refer Annexure VIII of the Board 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 March 31, 2022	< 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. The Company's products do not require such labelling.
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 your 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.

By the Order of the Board of
HLE Glascoat Limited

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN: 06858672)

Place: Maroli
Date: May 23, 2022

ANNEXURE - VI TO THE BOARD'S REPORT

Corporate Governance Report

Forming part of the Board Report

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

At HLE Glascoat 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 March 31, 2022, 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 March 31, 2022. 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)/ Chairpersonship(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.

@Mr. Yatish Parekh, Independent Director, was appointed as the Non-executive Chairman of the Board and Mr. Himanshu Patel would continue to be the Managing Director of the Company effective 1st April, 2022.

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 March 31, 2022. 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)/Chairpersonship(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 September 7, 2021:

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 6 (six) 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: June 12, 2021, August 14, 2021, September 17, 2021, November 13, 2021, December 15, 2021 and February 11, 2022.

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	Sitting Fees paid (Rs. in lakhs)	Whether Attended Last AGM
Mr. Himanshu Patel	6	-	Yes
Mr. Aalap Patel	6	-	Yes
Mr. Nilesh Patel	6	0.90	Yes
Mr. Harsh Patel	5	0.75	Yes
Ms. Vijayanti Punjabi	6	0.90	Yes
Mr. Yatish Parekh	6	0.90	Yes
Mr. Sandeep Randery	5	0.75	Yes
Mr. Jayesh Shah	6	0.90	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 March 31, 2022 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 of Familiarisation Programs for Independent Directors can be access through the web-link-https://hleglascoat.com/wp-content/uploads/2021/06/Details-of-Familiarization-Programmes-HGL.pdf

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 February 11, 2022 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 - an Independent Director was the Chairperson of the Meeting of Independent Directors.

Attendance of Independent Directors in Independent Directors Meeting held on February 11, 2022:

Independent Directors	No. of Meetings held	Meetings attended
Mr. Yatish Parekh	1	1
Ms. Vijayanti Punjabi	1	1
Mr. Sandeep Randery	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 Chairperson 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 (Chairperson of the Audit Committee), Mr. Sandeep Randery, Independent Director (Member) Mr. Jayesh Shah, Independent Director (Member) and Mr. Aalap Patel, Executive Director (Member). The Chairperson is a qualified Chartered Accountant and has relevant accounting and financial management expertise and experience. All Members of the Audit Committee are financially literate and have relevant finance and audit exposure.

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 Companies Act 2013 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 the members of Audit Committee are financially literate and at least one member have the accounting or related financial management expertise. 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:

1) 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;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a) 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;

   b) Changes, if any, in accounting policies and practices and reasons for the same;

   c) Major accounting entries involving estimates based on the exercise of judgement by management;

   d) Significant adjustments made in the financial statements arising out of audit findings;

   e) Compliance with listing and other legal requirements relating to financial statements;

   f) Disclosure of any related party transactions;

   g) modified opinion(s) in the draft audit report;

5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) 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:

   i. Management discussion and analysis of financial condition and results of operations;

   ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

   iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;

   iv. Internal audit reports relating to internal control weaknesses; and

   v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

   vi. Statement of deviations:

      (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

      (b) Annual statement of funds 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 available on the web-link https://hleglascoat.com/financials/

Meeting and Attendance

The Audit Committee meets at least once a quarter. The Audit Committee met 6 (six) 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 June 12, 2021, August 14, 2021 September 17, 2021, November 13, 2021, December 15, 2021 and February 11, 2022. The requisite quorum was present at all the Meetings. The Chairperson of the Audit Committee was present at the 30th Annual General Meeting of the Company held on September 7, 2021 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	6
Mr. Aalap Patel	Executive Director (Technical)	Member	6
Mr. Sandeep Randery	Independent Director	Member	5
Mr. Jayesh Shah	Independent Director	Member	6

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 Companies Act 2013 read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee (SRC) has been constituted comprising of Mr. Sandeep Randery, Independent Director (Chairperson of the Stakeholders Relationship Committee), Mr. Jayesh Shah, Independent Director (Member), Mr. Harsh Patel, Non-Executive Director (Member), and Mr. Aalap Patel, Executive Director (Member).

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:

(1) 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.

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

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

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

(5) To consider and approve demat/remat of shares/split/consolidation/sub-division of share/debenture certificates;

(6) To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates) and;

(7) 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 had met 2 (Two) times on June 12, 2021 and February 11, 2022 and the attendance of the Members at the Meetings was as follows:

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

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. Dhwani Shah, the Company Secretary and Compliance Officer of the Company and Mr. Sachin Dalwadi, Assistant 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.

During the financial year Ms. Dhwani Shah, the Company Secretary and Compliance Officer of the Company had resigned from the post of Company Secretary and Compliance Officer w.e.f January 31, 2022.

Mr. Achal Thakkar, Company Secretary, (Membership No. A30459) has been appointed as a Company Secretary and Compliance Officer of the Company with effect from May 10, 2022.

The Company as on March 31, 2022 had 33,637 members. The status of the complaints received by the Company during the year under review is as under:

As on April 1, 2021: Nil

Received during the year: 7

Resolved during the year: 7

Outstanding as on March 31, 2022: Nil

During financial year 2021-2022, 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 March 31, 2022.

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 Ms. Vijayanti Punjabi, Independent Director (Chairperson of the Nomination and Remuneration Committee), Mr. Yatish Parekh, Independent Director (Member) and Mr. Jayesh Shah, Independent Director (Member). The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act 2013 and Regulation 19 and 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 had met 2 (two) times on June 12, 2021, and February 11, 2022. The requisite quorum was present at the Meeting. Ms. Vijayanti Punjabi, the Chairperson of the Committee was present at the 30th AGM of the Company held on September 7, 2021 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

CORPORATE OVERVIEW
2 STATUTORY REPORTS
FINANCIAL STATEMENTS

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 2021-22 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 of the remuneration and sitting fees paid to the Non-Executive Directors (including Independent Directors) have been disclosed below. 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 and can be accessed from the following web-link https://hleglascoat.com/wp-content/uploads/2021/04/POLICY-FOR-REMUNERATION-OF-DIRECTORS.pdf which includes the criteria for making payments to the Non-Executive Directors.

Name of Director	Remuneration	Sitting Fees	Total
Mr. Nilesh Patel	-	0.90	0.90
Mr. Harsh Patel	-	0.75	0.75
Ms. Vijayanti Punjabi	-	0.90	0.90
Mr. Yatish Parekh	-	0.90	0.90
Mr. Sandeep Randery	-	0.75	0.75
Mr. Jayesh Shah	-	0.90	0.90

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 2021-22 are given below:

Name of Director	Gross Salary Including Allowances	Bonus	Commission	Total
Mr. Himanshu Patel	95.63	0	82.59	178.22
Mr. Aalap Patel	75.12	0	-	75.12
Total	**170.75**	**0**	**82.59**	**253.34**

Note:

(a) The above mentioned 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 December 31, 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 Mr. Sandeep Randery, Independent Director (Chairperson of the Corporate Social Responsibility Committee); Ms. Vijayanti Punjabi, Independent Director (Member) and Mr. Aalap Patel, Executive Director (Member).

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 4 (four) times during the year on June 12, 2021, August 14, 2021, November 13, 2021 and February 11, 2022 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	4
Mr. Aalap Patel	Executive Director (Technical)	Member	4

The Policy on Corporate Social Responsibility of the Company is available on Company's website and can be accessed on the web-link https://hleglascoat.com/wp-content/uploads/2021/04/CSR-POLICY-1.pdf

RISK MANAGEMENT COMMITTEE

Composition

The Risk Management Committee (RMC) comprises of Mr. Yatish Parekh, Independent Director (Member) and Mr. Sandeep Randery, Independent Director (Member); and Mr. Aalap Patel, Executive Director (Chairperson of Risk Management Committee). The Company has formulated a Risk Management Committee to establish an effective and integrated framework for the risk management process. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Terms of Reference

The Role of the RMC Committee is as under:

- To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Meeting and Attendance

During the financial year, the RMC Committee has met 2 (two) times during the year on 13th November, 2021 and 11th February, 2022 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Aalap Patel	Executive Director (Technical)	Chairperson	2
Mr. Yatish Parekh	Independent Director	Member	2
Mr. Sandeep Randery	Independent Director	Member	1

The Risk Management Policy of the Company is available on Company's website and can be accessed from the web-link: https://hleglascoat.com/wp-content/uploads/2021/09/HGL_RISK-MANAGEMENT-POLICY.pdf

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 2021-2022. 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 Chairpersonships 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. The Company has complied with the requirement of 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.

All the aforesaid Codes adopted by the Company are available on the Company's website and can be accessed through web-link: https://hleglascoat.com/wp-content/uploads/2021/08/HGL-INSIDER-CODE-2021.pdf

GENERAL BODY MEETINGS

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

Financial Year-Type of General Meeting	Date	Time	Location	Details of Special Resolutions Passed which were approved by the Members with requisite majority
2020-21-AGM	September 07, 2021	11.00 A.M.	Virtual Meeting held through Audio-Visual means-Deemed Registered Office at H-106, GIDC Estate, Vitthal Udyognagar – 388 121	a. Re-appointment of Ms. Vijayanti Punjabi (DIN 07651296) as the Independent Director of the Company.
2020-21-EGM	December 01, 2020	03:00 P.M.		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	September 19, 2020	10.30 A.M.		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	August 23, 2019	02.00 P.M.	Registered Office at H-106, GIDC Estate, Vitthal Udyognagar – 388 121	a. Resolution approving Composite Scheme of Arrangement under Sections 230 to 232 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 and the clauses of the Memorandum and Articles of Association of Swiss Glascoat Equipments Limited to the arrangement embodied in the Composite Scheme of Arrangement involving Demerger and transfer of the Operating Business of HLE Engineers Private Limited to Swiss Glascoat Equipments Limited and Amalgamation of Yashashvi Agrochemical Private Limited with HLE Engineers Private Limited and their respective shareholders, secured creditors and Unsecured creditors.
2018-19- AGM	July 27, 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

(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 FY 2022-23, the Board of Directors of the Company, at its meeting held on May 23, 2022 had approved Notice of Postal Ballot seeking approval of the shareholders by way of an Special Resolutions for 1) To re-appoint Mr. Yatish Parekh (DIN: 00168488), as an Independent Director of the Company for a period of five (5) years, 2) To re-appoint Mr. Sandeep Randery (DIN 07663581), as an Independent Director of the Company for a period of five (5) years, 3) To approve increase limits of Borrowing under section 180(1)(c) of the Companies Act, 2013, 4) To approve encumbrance on property of the Company for borrowing external funds in accordance with Section 180(1)(a) of the Companies Act, 2013, 5) To approve increase in limits for making investments/ giving loans and giving guarantees or providing securities in excess of limits specified under Section 186 of the Companies Act, 2013.

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 and can be accessed from the web-link : https://hleglascoat.com/wp-content/uploads/2022/02/POLICY-FOR-RELATED-PARTY-TRANSACTIONS_11.02.2022-1.pdf

Disclosure 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, if any, 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 at https://hleglascoat.com/wp-content/uploads/2021/04/WHISTLE-BLOWER.pdf. 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 2021-2022, 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 Material Subsidiary during the year, 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 on the weblink https://hleglascoat.com/wp-content/uploads/2022/02/POLICY-FOR-RELATED-PARTY-TRANSACTIONS_11.02.2022-1.pdf

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 March 31, 2022 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 not raised any funds through preferential allotment or qualified institutional placement during the year under review.

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 2021-2022.

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. Appointment/Re-appointment of Directors

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

Mr. Himanshu Patel (DIN 00202312), Managing Director, whose term shall expire on December 30, 2022 is hereby proposed for re-appointed as the Managing Director of the Company for a period of three years with effect from December 31, 2022 at the ensuing Annual General Meeting.

Mr. Aalap Patel (DIN 06858672), Executive Director (Technical), whose term shall expire on December 30, 2022 is hereby proposed for re-appointed as an Executive Director of the Company for a period of three years with effect from December 31, 2022 at the ensuing Annual General Meeting.

Mr. Harsh Patel (DIN 00141863), Non-Executive Director, is proposed for appointment as Whole-Time Director of the Company at the ensuing Annual General Meeting.

The details of the Directors proposed to be appointed/ re-appointed in the 31st 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 Financial Year 2021-2022 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:

i) **The Board**: The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairperson is not applicable to the Company since the Chairperson of the Company is an Executive Director.

ii) **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.

iii) **Modified Opinion(s) in the Board**: There are no modified opinions in Board.

iv) **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 2021-22

Compliance Officer	:	Mr. Achal Thakkar
Date, Time and Venue of the 31st Annual General Meeting	:	Thursday, September 01, 2022 at 11:00 a.m. through Audio-Visual means
Financial Year	:	April 01, 2021 to March 31, 2022
Book Closure Dates	:	Friday, August 26, 2022 to Thursday, September 01, 2022 (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.**: 0265-6136000 **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 on BSE and traded on the following Stock Exchanges:

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

Listing Fees

Listing fees of the BSE Ltd. for the year 2021-22 has been paid.

c) Dividend

The dividend, if declared at the Annual General Meeting, shall be paid on or before 30 days from the date of declaration.

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-21	2652.45	2205.00	447.45	Oct-21	7549.00	5888.80	1660.20
May-21	3519.25	2530.00	989.25	Nov-21	7140.00	5103.65	2036.35
Jun-21	3794.75	3182.55	612.20	Dec-21	6311.75	5589.05	722.70
Jul-21	3870.00	3365.10	504.90	Jan-22	6720.00	5744.85	975.15
Aug-21	4488.40	2951.30	1537.10	Feb-22	6666.00	4902.70	1763.30
Sep-21	6746.85	4377.80	2369.05	Mar-22	5875.00	5225.10	649.90

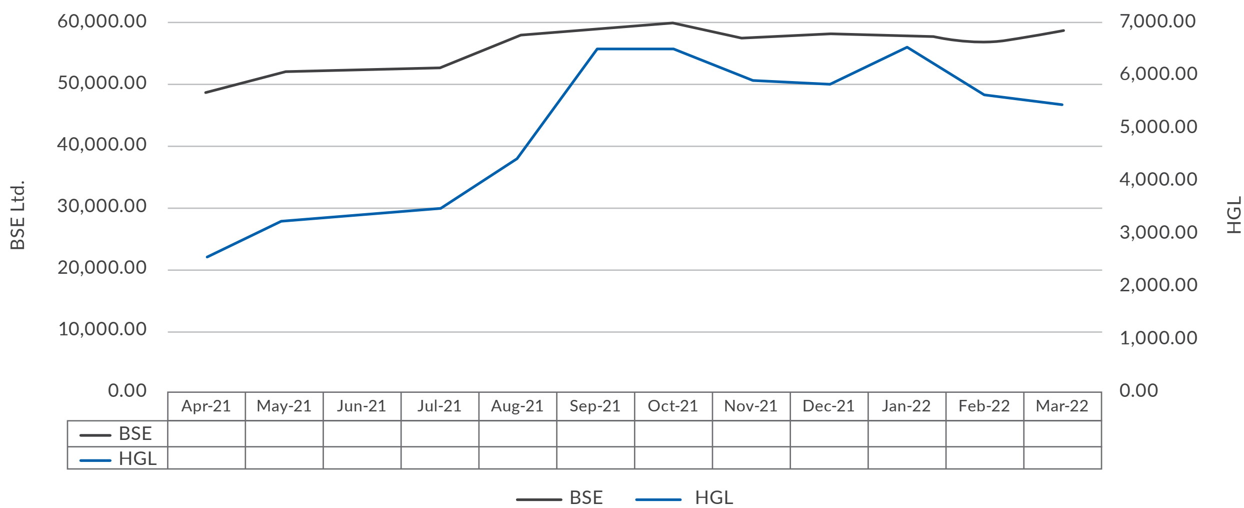
*(Source: www.bseindia.com)

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-21	2648.35	2165.75	482.60	Oct-21	7550.00	5900.00	1650.00
May-21	3520.00	2520.00	1000.00	Nov-21	7150.00	5100.15	2049.85
Jun-21	3791.95	3160.05	631.90	Dec-21	6305.00	5515.15	789.85
Jul-21	3672.00	3361.00	311.00	Jan-22	6735.25	5725.25	1010.00
Aug-21	4494.50	2950.00	1544.50	Feb-22	6700.00	4900.00	1800.00
Sep-21	6750.00	4255.15	2494.85	Mar-22	5899.00	5225.00	674.00

*(Source: www.nseindia.com)

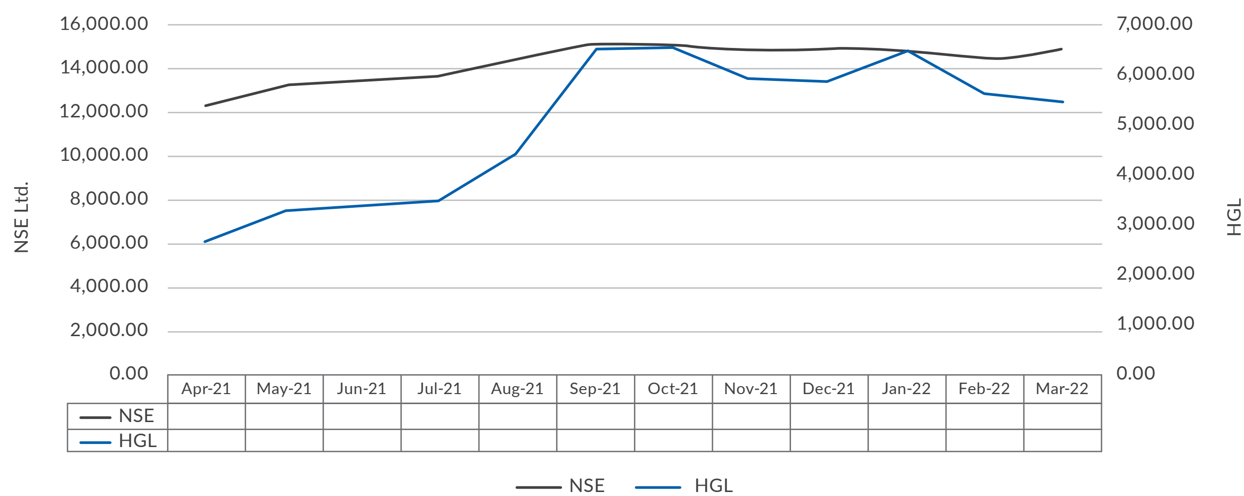
f) Performance of the Company's Equity Share Price in comparison to BSE and NSE Indices

- **Company's closing share price movement during the financial year 2021-22 on BSE vis-à-vis S&P BSE Sensex**



*(Source: www.bseindia.com)

- **Company's closing share price movement during the financial year 2021-22 on NSE vis-à-vis Nifty500**



*(Source: www.nseindia.com)

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. April 1, 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 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 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 March 31, 2022, 1,29,10,086 shares (94.55%) 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, 2022 is as follows:

(A) Distribution of Shares as per Category as on March 31, 2022

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	% of (A+B)
(A)	Shareholding of Promoter and Promoter Group	7	9600744	70.32
(B)	Public Shareholding Institutions	-	-	-
(C)	Public Shareholding- Non- Institutions	33630	4052352	29.68
	GRAND TOTAL (A+B+C)	**33637**	**13653096**	**100.00**

(B) Distribution of Shares by size of holding as on March 31, 2022

Category of Shares	No. of shareholders	% Holders	No. of Shares	% Shares
1 to 500	33895	98.72%	767624	5.62%
501 to 1000	230	0.67%	183068	1.34%
1001 to 2000	91	0.27%	134423	0.98%
2001 to 3000	37	0.11%	96432	0.71%
3001 to 4000	15	0.04%	51800	0.38%
4001 to 5000	15	0.04%	67518	0.49%
5001 to 10000	22	0.06%	157577	1.15%
10001 and above	28	0.08%	12194654	89.32%
Total	**34333**	**100.00%**	**13653096**	**100.00%**

Note: As per shareholding pattern filed with the BSE Limited, number of shareholders as on March 31, 2022 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	**HLE Glascoat Limited**
H-106, G I D C Estate,	H-106, G I D C Estate,
Vitthal Udyognagar – 388 121	Vitthal Udyognagar – 388 121
Dist. Anand, Gujarat	Dist. Anand, Gujarat
E-mail ID: share@hleglascoat.com	
Contact No.: (02692) 236842 to 236845	
(2) HLE Glascoat Limited	
A-6, Maroli Udhyognagar	
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 "HLE Glascoat 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 2021-2022 are as under:

Particulars	No. of Shareholders	No. of Shares
Outstanding balance in Unclaimed Suspense Account as on April 1, 2021	3	800
Request for transfer from Unclaimed Suspense Account received and processed	-	-
Outstanding balance in Unclaimed Suspense Account as on March 31, 2022	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

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN:06858672)

Place: Maroli
Date: May 23, 2022

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**

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Place: Maroli
Date: May 23, 2022

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,
H-106, GIDC Estate,
Vitthal Udyognagar – 388121,
Dist. Anand, Gujarat.

We, Mr. Himanshu Patel, the Managing Director and Mr. Naveen Kandpal, 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 March 31, 2022 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**

Sd/-
Naveen Kandpal
Chief Financial Officer

Sd/-
Himanshu Patel
Managing Director

Date: May 23, 2022
Place: Maroli

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

In accordance with Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby confirm that all Directors and Senior Management personnel of the Company have affirmed their compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2022.

For **HLE Glascoat Limited**

Sd/-

Himanshu Patel

Managing Director

(DIN: 00202312)

Place: Maroli

Date: May 23, 2022

CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF HLE GLASCOAT LIMITED

To

The members of

HLE Glascoat Ltd.

Vithal Udyognagar.

1. I, Mr. D. G. Bhimani, proprietor of M/s D. G. Bhimani & Associates, Practicing Company Secretaries, Anand, the Secretarial Auditor of HLE Glascoat Limited ("the Company"), have examined the compliance of the conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

3. My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. I have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the year ended March 31, 2022.

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

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani

Company Secretary

CP. No. 6628

Place: Anand

Date: May 23, 2022

UDIN: F008064D000368820

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
H-106 GIDC Estate,
Vithal Udyognagar - 388121.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place: Anand
Date: May 23, 2022
UDIN: F008064D000368721

SECRETARIAL COMPLIANCE REPORT OF HLE GLASCOAT LIMITED FOR THE YEAR ENDED MARCH 31, 2022

I have examined:

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

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

(c) website of the listed entity,

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of :

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

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

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

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

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

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

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

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Review Period).

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

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

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

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(j) 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:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder,

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

(c) There were no 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 there under in so far as it appears from my examination of those records.

(d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period.

(e) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place: Anand
Date: May 23, 2022
UDIN: F008064D000368666

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THR FINANCIAL YEAR ENDED MARCH 31, 2022

[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 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, 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 March 31, 2022 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 March 31, 2022 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.

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

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

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

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

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

   (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

   (f) 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

As informed to me, there are no laws which have specific applicability to the Company other than general laws applicable to industry generally.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that 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 there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

(a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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 of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period 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 1,92,455 Equity Shares of Rs. 10/- each at a premium of Rs. 1375/- pursuant to terms of issue of Convertible Series B Warrants issued 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.

The Company has acquired Thaletec GmbH, Germany as well as its subsidiary Thaletec USA, during the year under review in compliance of applicable laws.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place: Anand
Date: May 23, 2022
UDIN: F008064D000368633

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.

For **D G Bhimani & Associates**

Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

Place: Anand
Date: May 23, 2022
UDIN: F008064D000368633

ANNEXURE - VII TO THE BOARD'S REPORT

Management Discussion and Analysis Report

Forming part of the Board Report

ECONOMIC OVERVIEW

India is expected to witness GDP growth of 8-8.5 per cent in 2022-23, supported by widespread vaccine coverage, gains from supply-side reforms, easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending. The Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman tabled the Economic Survey 2021-22, which stated that the year ahead is well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of economy. The growth projection for 2022-23 is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, and global supply chain disruptions will steadily ease over the course of the year.

The projection is comparable with the World Bank's and Asian Development Bank's latest forecasts of real GDP growth of 8.7 per cent and 7.5 per cent respectively for 2022-23. As per the IMF's latest World Economic Outlook (WEO) growth projections released on January 25, 2022, India's real GDP is projected to grow at 9 per cent in both 2021-22 and 2022-23 and at 7.1 per cent in 2023-24. This projects India as the fastest growing major economy in the world in all these three years.

The Survey underlines that the monetary policy since the outbreak of the pandemic was calibrated to provide a cushion and support growth, but carefully controlled in order to avoid the medium term dislocations of excess liquidity. An important aspect of the safety-net was the use of Government guarantees to provide access to financial support to the economy in general and MSMEs in particular. In the last two years, the government leveraged an array of eighty High Frequency Indicators (HFIs) representing industry, services, global trends, macro-stability indicators and several other activities, from both public and private sources to gauge the underlying state of the economy on a real-time basis. These HFIs helped policy makers tailor their response to an evolving situation rather than rely on pre-defined responses of a waterfall framework, which has been the conventional method for framing policy in India and in most of the world.

The Survey is quite optimistic that overall macro-economic stability indicators suggest that the Indian economy is well placed to take on the challenges of 2022-23 and one of the reasons that the Indian economy is in good position is its unique response strategy.

ECONOMIC OUTLOOK

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies, almost 1.8 and 2.8 percentage points higher than those projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic are essential.

INDUSTRY STRUCTURE AND DEVELOPMENTS AND OUTLOOK

Your Company is engaged in two main engineering businesses viz. manufacturing of (i) specialized 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 has been 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 Ingredients (API) and Chemicals (agrochemical, specialty/fine chemicals and dyes and pigment industries).

Performance of the Engineering Sector

The engineering sector is the largest of the industrial sectors in India and can be broadly categorized 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. The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the Government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles. The Government has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products, and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian semiconductor industry offers a high growth potential area as industries which source semiconductors as inputs are themselves witnessing high demand. Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil and gas, refinery, steel, automotive and consumer durables have been driving the demand in the engineering sector. Separately, the approval of significant number of Special Economic Zones (SEZs) across the country and the development of the Delhi-Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector. The announcement and implementation of the Production Linked Incentive (PLI) Schemes for certain sectors will further provide impetus for growth of the engineering and capital goods sector.

Performance of the Pharmaceutical Sector

India is the largest provider of generic drugs globally. The Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicines in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions. Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The Government has introducedthe PLI Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) and has already approved projects of over 30 companies with a capex commitment of over Rs. 5,000 crores which will propel direct demand for the engineering and capital goods sector.

Performance of the Chemical Industry

The Chemical 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 Fertilizers. The Indian chemical sector is poised to grow along with the country's expanding middle class population. There is a clear focus today on safety within manufacturing premises, sustainability and innovation along with large facilities, automation and diversified portfolios.

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country. The Indian government recognizes the chemical industry as a key growth element and has forecast the increased share of the chemical sector to 25% of the GDP in the manufacturing sector by 2025.

A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive programme with 10-20% output incentives for the agrochemical sector and to create an end-to-end manufacturing ecosystem through the growth of clusters.

The chemical and petrochemical (CPC) industry plays a pivotal role in a country's industrial and agricultural development. The Indian CPC industry is one of the fastest growing in the world and has reached significant milestones in terms of capacity additions and value growth post the country's independence. The growth is largely driven by the country's rising consumption needs. Several global megatrends are impacting the Indian economy and subsequently, the Indian CPC industry. Some of the key trends that are emerging and shaping the country's CPC industry are shifts in customer preferences, increasing per capita consumption, innovation and sustainability, and increasing M&A activities. India is very well positioned for multi-year growth across the entire CPC value chain. The government's various measures have improved India's performance in the Ease of Doing Business rankings. A special focus on manufacturing will help increase the CPC's industry's share in the country's GDP. The government is also working towards the implementation of designated Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) to support and develop downstream industries.

Company Overview

HLE Glascoat Limited ("HGL") was formed 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 FY 2016-17 and its successful integration (consequent to the Scheme of Arrangement) with the operating business of HLE Engineers Private Limited, the Company is today the largest manufacturer of customized and sophisticated filtration and drying equipment and one of the leading manufacturers of standard and customized glass lined equipment in the country. HGL caters to the Indian and the international markets and 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. HGL has emerged as a front-runner in the domestic market by catering to diverse industries and applications ranging from pharmaceuticals/API(requiring high GMP compliance and minimal human intervention); specialty chemicals, agrochemicals/pesticides; dyes and pigments; to intermediates and other conceivable corrosion-prone areas in the chemical processing industry. 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, Exotic Metal Equipment and Glass Lined Reactors, Vessels and other Specialized Equipment. The Company commands a good brand recall amongst its customers, which includes most of the large and medium sized players in the API, 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 and now with acquisition of Thaletec GmbH, it is expected to improve its presence in several sophisticated markets. 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 diverse types, sizes, outputs 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)

(Rs. in Lakhs)

Particulars	FY 2021-22	FY2020-21*
Total Income	52,235.24	43,271.44
Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income)	10,175.79	8,889.53
Profit Before Tax (after adjusting Other Comprehensive Income)	8,135.45	7,109.63
Profit After Tax (after adjusting Other Comprehensive Income)	6,215.08	5,195.19
Total Assets	65,150.06	38,534.21
Equity Share Capital	1,365.31	1,307.55
Other Equity	26,766.80	15,147.95
Total Equity	28,132.11	16,455.49
Bank Borrowings	18,762.46	7,356.27
Debt: Equity Ratio (including long term and short term borrowings)	0.72	0.56
Book Value per Equity Share of Rs. 10 each – In Rs.	206.05	125.85
Earnings per Equity Share - Basic and Diluted – In Rs.	45.24	40.35
Earnings per Share - From Continuing operations	47.02	38.63
Earnings per Share - From Discontinuing operations	(1.79)	1.72
Dividend Per Share – In Rs. (2021-22 – proposed)	5.00	4.00

* 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 2021-22 was Rs.50,848.93 lakhs compared to Rs.42,071.11 lakhs during the previous year. Your Company earned profit after tax during the year of Rs.6,215.08 lakhs compared to Rs.5,195.19 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.10,175.79 lakhs compared to Rs.8,889.53 lakhs.

Consolidated segment wise performance

The Company has two main segment of operations (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment

(Rs. in Lakhs)

Particulars	FY 2021-22	FY 2020-21*
a) Filtration, Drying and Other Equipment	31,410.57	24,174.97
b) Glass Lined Equipment	33,002.59	20,021.24
c) Others	808.66	4,252.72
EBIT		
a) Filtration, Drying and Other Equipment	4,609.29	4,377.84
b) Glass Lined Equipment	7,055.58	4,193.32

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

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

Key Financial Ratios	FY 2021-22	FY 2020-21*	Detailed explanation for change of 25% or more, if any
Debtors Turnover (times)	6.97	7.89	
Inventory Turnover (times)	3.05	2.99	
Interest Coverage Ratio (times)	8.16	8.58	
Current Ratio	1.33	1.42	
Debt Equity Ratio (considering long term and short term debt)	0.72	0.56	Your Company converted the Warrants into Equity and raised funds of Rs. 60 crores during the year. Your Company acquired 100% equity shares of Thaletec GmbH for a total consideration of Euro 12 million, which was part financed by long term debt. The Company successfully completed the capex program for enhancement of capacity at its Anand and Maroli works. The Company is also implementing a greenfield manufacturing facility at Silvassa. These Capex programs were part financed by long term debt.
Operating Profit Margin (%)	18.22	19.14	
Net Profit Margin (%)	12.15	12.44	

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

Return on Net Worth	FY 2021-22	FY 2020-21	Detailed explanation for change of 25% or more, if any
Return on Net Worth (PAT/Net Worth) - Standalone	22.09%	31.57%	While plough back of profits has increased in FY 2021-22, your Company also raised equity funds in the later half of the year, resulting in a drop in this ratio for the year (which is computed without annualizing). The Company has invested in the acquisition of 100% equity in Thaletec GmbH during December, 2021 and in the expansion projects at Anand, Maroli and Silvassa during the latter half of the year. The profits from these investments are not fully reflected in the standalone accounts for FY 2021-22.

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 provide 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, increasing material costs due to the global geopolitical scenario, non-availability of adequate skilled manpower, continuous increase in electricity/ fuel costs, cost of wages and salaries and increase in financing costs. Elevated inflation is expected to persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and the monetary policy in major economies responds to the emerging scenario.

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

Risks to the global baseline are tilted to the downside. The fourth wave of Covid and new variants of the Delta and Omicron variants could induce renewed economic disruptions. Moreover, supply chain disruptions, commodity and energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions, especially with debt levels having increased significantly in the past two years, may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated. With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous impact of Covid variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution.

Risk Management

Your Company recognizes the importance of managing risk in the business to sustain growth. Pursuant to provisions of Regulations 17 and 21 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations("the SEBI Listing Regulations") and Sections 134 and 177 of the Companies Act,2013 ("the Act") and other applicable provisions, if any, of theSEBI Listing Regulations and the Act, the Board of Directors ofthe Company has approved and framed the "Risk Management Policy" of the Company, which is available on the website of theCompany i.e. https://hleglascoat.com/corporate-governance/ The Risk Management Policy has a detailed risk assessment and minimization procedures and 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. economic risk, production risk, inventory management risk, technology risk, competition risk, financial risk, raw material price fluctuation risk, pandemic risk, human resource risk, reputation risk, legal risk, regulatory risk, cyber risk, etc. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business and processes. Your Company has also formed Risk Management Committee of the Directors.

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, independent external professional agencies have been appointed to conduct internal audit of the systems and processes of 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 March 31, 2022 stands at 923. Your Company believes in focusing 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 programs are also organized by inviting external faculty. Our continuous training programs lay emphasis not only on increasing productivity but also on imbibing 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 the Order of the Board of
HLE Glascoat Limited

Sd/-	Sd/-
Himanshu Patel	**Aalap Patel**
Managing Director	Executive Director
(DIN: 00202312)	(DIN:06858672)

Date: May 23, 2022
Place: Maroli

ANNEXURE - VIII TO THE BOARD'S REPORT

DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2021-22

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:

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

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

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

2. 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	4	3
2	Ms. Vijayanti Punjabi	Member/Independent Director	4	4
3	Mr. Aalap Patel	Member/Executive Director (Technical)	4	4

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. 5067.52 lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 101.35 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

   (c) Amount required to be set off for the financial year, if any:

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 101.35 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. 110.75 lakhs	N.A.	N.A.		N.A.	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of active-ties 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 finan-cial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Impleme-ntation - Direct (Yes/No)	Mode of Implemen-tation Through Implemen-ting Agency	
				State	Dist.						Name	CSR Registration number
N.A.												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activeties in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (Rs. in Lakhs)	Mode of Implemen-tation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	Dist.			Name	CSR Registration number
1	Gram Aavas Yojna/ Low cost Housing Project Expense/ Dispensary Expense (Dawakhanu Rahat Dar Nu)	*Eradicating hunger, poverty and malnutrition, *promoting education, art and culture, healthcare, destitute care and rehabilitation, *environment sustainability, disaster relief, COVID-19 relief and rural development projects	Yes	Gujarat	Surat	62.00	No	Yashaswati Foundation	CSR00003105
2	Water Supply Project at Gimhavane at Dapoli	environment sustainability, maintaining quality of soil, air and water	No	Maharashtra	Ratnagiri	25.00	No	Shri Jal Welfare Foundation	CSR00016938
3.	Cardiac Ambulance Van	healthcare, destitute care and rehabilitation	Yes	Gujarat	Navsari	11.00	No	Sadbhavna Charitable Trust	CSR00017272
4	BIPLOB THE BUMBLEBEE, the world's first ever Eco – Warrior Superhero	Climate Change, Sustainable living and Nurturing Nature.	No	Maharashtra	Mumbai	12.75	Yes	-	-
	Total					**110.75**			

(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. 110.75 lakhs

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

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	101.35
(ii)	Total amount spent for the Financial Year	110.75
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.40
(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)]	9.40

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

   (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
				N.A.				

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).

    A. Date of creation or acquisition of the capital asset(s).

    B. Amount of CSR spent for creation or acquisition of capital asset.

    C. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    D. 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): N.A.

By the Order of the Board of
HLE Glascoat Limited

Sd/-
Himanshu Patel
Managing Director
(DIN: 00202312)

Sd/-
Aalap Patel
Executive Director
(DIN:06858672)

Date: May 23, 2022
Place: Maroli

Independent Auditor's Report

to the Members of HLE Glascoat Limited

1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of HLE GLASCOAT Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2022, and its profit(financial performance including Other Comprehensive Income), the Changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Opinion

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

3. 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.

S 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.	Principal Audit Procedures We performed the following substantive procedures: Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. We have assessed the value of significant provisions and contingent liabilities, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome. Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities. Conclusion We agree with management's evaluation.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

S 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.

5. Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone Financial Statements and our auditor's 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 during the course of our 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.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, Changes in Equity and Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

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

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

7. Auditor's Responsibility for the audit of the Standalone Financial Statements

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditor's Report

to the Members of HLE Glascoat Limited

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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.

As required by Section 143(3) of the Act, based on our audit, we report that:

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

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

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

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 29 (k) to the Standalone Financial Statements;

ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and

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

iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) As represented to us by the management and to the best of its knowledge and belief, no funds have been received by the Company

Independent Auditor's Report

to the Members of HLE Glascoat Limited

from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Mem.No.36490

UDIN : 22036490AJLGMX3731
Place : Mumbai
Date : 23rd May 2022

ANNEXURE "A"

to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of HLE Glascoat Limited

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and right-of-use assets;

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification. All discrepancies have been properly dealt with in the books of accounts;

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including of right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.

(ii) (a) The inventory, except for stocks held with third parties, has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. For stocks held with third parties at the year end, written confirmations have been obtained, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2022 and there are no material discrepancies.

(iii) The Company has made investments in companies and other entities. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii)(a),(c),(d),(e) and (f) of the order are not applicable.

(b) In our opinion, the investments made in companies are ,prima facie, not prejudicial to the company's interest.

(iv) In our opinion, in respect of investments made ,the Company has complied with the provisions of Section 186 of the Act

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the provisions of clause 3(v) of Para 3 of the Order are not applicable to the Company.

(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.

ANNEXURE "A"

to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of HLE Glascoat Limited

(vii) (a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of any dispute, are as follows:

Statute	Financial year to which the matter pertains	Forum where dispute is pending	Rs Lakhs
Central Excise Act, 1944 and Finance Act, 1994 (Service Tax)	For the period 2008- 2013	CESTAT	9.55
	For the period 2012- 2015	CESTAT	23.98
	For the period 2013- 2017	CESTAT	24.32

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.

(b) 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.

(xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

ANNEXURE "A"

to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of HLE Glascoat Limited

(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 Standalone Financial Statements in Note 29(f) as required by the applicable Indian Accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi)(a) of Para 3 of the Order are not applicable to the Company.

(b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by theReserve Bank of India and accordingly the provisions of clause (xvi)(c) of Para 3 of the Order is not applicable to the Company.

(d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, and based on the CARO report issued by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the holding company and to no other company included in the consolidated financial statements.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Mem.No.36490

UDIN : 22036490AJLGMX3731
Place : Mumbai
Date : 23rd May 2022

ANNEXURE "B"

to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of HLE Glascoat Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

1. OPINION

We have audited the internal financial controls with reference to Financial Statements of HLE GLASCOAT LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India(ICAI).

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were 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 Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 Company's internal financial controls system with reference to Financial Statements.

4. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to 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

ANNEXURE "B"

to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of HLE Glascoat Limited

with reference to 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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 Reg.No.107122W / W100672

N Kashinath
Partner
Mem.No.36490

UDIN : 22036490AJLGMX3731
Place : Mumbai
Date : 23rd May 2022

Standalone Balance Sheet

as at 31st March 2022

(Rs in Lakhs)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I) ASSETS			
1) Non-Current Assets			
a) Property, plant and equipment	2 (a)	13,785.27	10,281.71
b) Right of use assets	2 (b)	834.66	612.24
c) Capital work-in-progress	2 (c)	3,138.83	312.41
d) Investment property	2 (d)	142.02	146.87
e) Other intangible assets	2 (e)	314.66	379.55
f) Financial assets;			
(i) Investments	3	15,690.71	3,375.10
(ii) Others financial assets	4	65.37	68.26
g) Other non-current assets	5	188.35	423.84
2) Current Assets			
a) Inventories	6	19,419.82	13,888.61
b) Financial assets;			
(i) Trade receivables	7	8,226.16	6,364.64
(ii) Cash and cash equivalents	8	12.91	1,038.64
(iii) Bank balances other than cash and cash equivalents	9	1,207.20	918.22
(iv) Loans	10	17.13	18.97
(v) Others financial assets	4	104.21	208.77
c) Other current assets	5	2,002.76	625.30
TOTAL ASSETS		**65,150.06**	**38,663.13**
II) EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	SOCE	1,365.31	1,307.55
b) Other equity	SOCE	26,766.80	15,147.94
Total Equity		**28,132.11**	**16,455.49**
2) LIABILITIES			
i) Non-Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	12,982.23	5,518.59
(ii) Lease liabilities		310.94	94.37
(iii) Other financial liabilities	12	0.90	1.90
b) Provisions	13	54.68	44.98
c) Deferred tax liabilities (net)	14	349.06	312.51
ii) Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	7,176.65	3,630.05
(ii) Lease liabilities		59.56	38.16
(iii) Trade payables	15		
- Outstanding dues of micro enterprises and small enterprises		268.24	452.46
- Outstanding dues of creditors other than micro enterprises and small enterprises		10,213.44	5,791.56
(iv) Other financial liabilities	12	1,068.63	773.84
b) Other current liabilities	16	4,166.33	4,714.60
c) Provisions	13	221.25	256.63
d) Income tax liabilities		146.04	577.99
Total Liabilities		**37,017.95**	**22,207.64**
TOTAL EQUITY AND LIABILITIES		**65,150.06**	**38,663.13**
Significant accounting policies	1		
Accompanying notes are an integral part of these financial statements			

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN-00202312

Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March 2022

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
I) INCOME			
a) Revenue from operations	17	50,848.93	42,071.11
b) Other income	18	1,386.31	1,200.33
TOTAL INCOME (a+b)		**52,235.24**	**43,271.44**
II) EXPENSES			
a) Cost of materials consumed	19	27,479.92	19,662.10
b) Changes in inventories of finished goods and work-in-progress	20	(1,795.57)	424.76
c) Employee benefits expense	21	3,791.06	3,449.45
d) Finance costs	22	1,131.16	943.35
e) Depreciation and amortisation expense	23	909.18	836.55
f) Other expenses	24	12,622.64	10,806.06
TOTAL EXPENSES (a to f)		**44,138.39**	**36,122.27**
III) PROFIT BEFORE TAX (I - II)		**8,096.85**	**7,149.17**
IV) TAX EXPENSE			
a) Current tax		1,883.82	1,926.53
b) Deferred tax		36.55	(12.09)
TOTAL TAX EXPENSE (a+b)		**1,920.37**	**1,914.44**
V) PROFIT FOR THE YEAR (III - IV)		**6,176.48**	**5,234.73**
VI) Profit before tax for the period from continuing operations		8,340.61	6,831.93
VII) Tax expense of continuing operations		1,920.37	1,820.31
VIII) Profit for the period from continuing operations (VI - VII)		**6,420.24**	**5,011.62**
IX) Profit/ (loss) before tax for the period from discontinuing operations		(243.76)	317.24
X) Tax expense of discontinuing operations		-	94.13
XI) Profit for the period from discontinuing operations (IX - X)		**(243.76)**	**223.11**
XII) PROFIT FOR THE YEAR (VIII+XI)		**6,176.48**	**5,234.73**
OTHER COMPREHENSIVE INCOME (OCI)			
a) Items that will not be reclassified to profit or loss Remeasurements of defined benefit plans		51.58	(55.79)
b) Income tax relating to items that will not be reclassified to profit or loss		(12.98)	16.25
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (a+b)		38.60	**(39.54)**
XIV) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XII+XIII)		**6,215.08**	**5,195.19**
XV) EARNINGS PER EQUITY SHARE	28(a)		
a. From continuing operations			
Basic		47.02	38.63
Diluted		47.02	38.63
b. From discontinuing operations			
Basic		(1.79)	1.72
Diluted		(1.79)	1.72

Significant accounting policies 1

Accompanying notes are an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

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

Himanshu Patel
Managing Director
(DIN-00202312)

Aalap Patel
Director
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N. Kashinath
Partner
Membership No. 036490

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Maroli Udyognagar, Dated May 23, 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

(Rs. in Lakhs)

SHARE CAPITAL	As at 31st March 2022		As at 31st March 2021	
	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 share capital	1,36,53,096	1,365.31	1,30,75,480	1,307.55
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,30,75,480	1,307.55	1,29,31,076	1,293.11
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	1,30,75,480	1,308	1,29,31,076	1,293
Changes in equity share capital during the current year #	5,77,616	57.76	1,44,404	14.44
Balance at the end of the reporting year	1,36,53,096	1,365.31	1,30,75,480	1,307.55

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 after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

A resolution was passed on May 5, 2021 by the Special Purpose Working Committee created by the Board of Directors for the conversion of 3,85,161 Series A Warrants issued and allotted to Malabar India Fund Limited, a Category I Foreign Portfolio Investor registered with SEBI and Malabar Value Fund -Alternative Investment Fund in the form of a Trust, Registered with the Securities and Exchange Board of India under Category III on Preferential Basis into equal number of Equity Shares of the Company.

Further, a resolution was passed on September 23rd, 2021 by the Special Purpose Working Committee created by the Board of Directors for the conversion of 1,92,455 Series B Warrants issued and allotted to Malabar India Fund Limited, a Category I Foreign Portfolio Investor registered with SEBI on Preferential Basis into equal number of Equity Shares of the Company.

The company has declared interim/final dividend aggregating to Rs. 538.43 lakhs (Rs. 4 per share) during the FY 2021-22 [Previous year Rs. 323.28 lakhs (Rs. 2.5 per share)]

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are as follows :

Name of the shareholder	As at 31st March 2022		As at 31st March 2021	
	No.	%	No.	%
Himanshu Khushalbhai Patel	35,95,707	26.34%	35,95,707	27.50%
Nilesh Khushalbhai Patel	36,39,127	26.65%	36,39,127	27.83%
Harsh Himanshu Patel	18,59,580	13.62%	18,59,580	14.22%

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

The details of the shares held by promoters as at March 31, 2022 are as follows :

PROMOTER NAME	As at 31st March 2022			As at 31st March 2021		
	No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
Promoter						
Himanshu Khushalbhai Patel	35,95,707	26.34%	-	35,95,707	27.50%	-
Nilesh Khushalbhai Patel	36,39,127	26.65%	-	36,39,127	27.83%	-
Harsh Himanshu Patel	18,59,580	13.62%	-	18,59,580	14.22%	-
Aalap Nilesh Patel	1,88,833	1.38%	-	1,88,833	1.44%	-
Promoter Group						
Priti Himanshubhai Patel	9,270	0.07%	-	9,270	0.07%	-
Kishoriben Nilesh Patel	16,222	0.12%	-	16,222	0.12%	-
Swara Rajeev Patel	2,92,005	2.14%	-	2,92,005	2.23%	-
	96,00,744	70.32%		96,00,744	73.43%	

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

OTHER EQUITY

(Rs. in Lakhs)

Particulars	Reserves and Surplus						Equity component of compound financial interest	Preference share capital	Money received against share warrants	TOTAL
	Securities premium	General reserve	Capital reserve	Retained earnings	Remeasure ments of defined benefit plans	Capital redemption reserve				
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**
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-
On issue of preferential allotment	1985.54								2,000.00	3,985.54
Share issue expense set off	(35.00)									(35.00)
Transfer to capital redemption reserve				(37.50)		37.50				-
Other adjustment							37.50	(37.50)		-
Profit for the current reporting year ending 31st March 2021	-	-	-	5,234.73	-		-			5,234.73
Other comprehensive income (Net of tax)	-	-	-		(39.54)		-			(39.54)
Total comprehensive Income for the reporting year	**1,950.54**	-	-	**5,197.23**	**(39.54)**	**37.50**	**37.50**	**(37.50)**	**2,000.00**	**9,145.73**
Transactions with owners in their capacity as owners:										
Dividends and dividend distribution tax;										-
-Final dividend (Rs. 2.5 per share)	-	-	-	(323.28)	-					(323.28)
Transfer to general reserve		2,000.00		(2,000.00)						
Balance at the end of the reporting year ending 31st March 2021	**1,950.54**	**3,540.05**	**1.52**	**6,349.19**	**(14.91)**	**37.50**	**1,134.03**	**150.02**	**2,000.00**	**15,147.94**
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-
Received during the period	7,942.21								(2,000.00)	5,942.21
Transfer to capital redemption reserve				(37.50)		37.50				
Other adjustment							37.50	(37.50)		
Profit for the current reporting year ending 31st March 2022	-	-	-	6,176.48	-		-			6,176.48
Other comprehensive income (Net of tax)	-	-	-		38.60		-			38.60
Total comprehensive Income for the reporting year	**7,942.21**	-	-	**6,138.98**	**38.60**	**37.50**	**37.50**	**(37.50)**	**(2,000.00)**	**12,157.29**
Transactions with owners in their capacity as owners:										-
Dividends										-
-Final dividend (Rs. 4 per share)	-	-	-	(538.43)	-					(538.43)
Transfer to general reserve		2,000.00		(2,000.00)						
Balance at the end of the reporting year ending 31st March 2022	**9,892.75**	**5,540.05**	**1.52**	**9,949.74**	**23.69**	**75.00**	**1,171.53**	**112.52**	-	**26,766.80**

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

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 recognized 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.
Capital redemption reserve	Capital redemption reserve is created by the company for redemption of preference share from its profits.
Money received against share warrants	Money against share warrant represents amount received against share warrants pending equity allotment.

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, May 23, 2022

For and on behalf of the Board

Himanshu Patel
Managing Director
(DIN-00202312)

Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Standalone Statement of Cash Flow

for the year ended 31st March 202

(Rs. in Lakhs)

	Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	NET PROFIT BEFORE TAX		8,096.85		7,149.17
	Adjustment for :				
	Depreciation	909.18		836.55	
	Finance cost (including fair value change in financial instruments)	1,131.16		943.35	
	Foreign currency unrealised gain/loss (Net)	(118.54)		6.85	
	Share of profit in subsidiary (Partnership)	(642.18)		(779.76)	
	Expected credit loss	10.00		3.34	
	Interest income	(80.59)		(86.12)	
	Dividend income	(0.01)		(0.01)	
	Deffered income	(63.18)		(14.47)	
	Bad debts written off	0.32		15.36	
	Remeasurements of defined benefit plans	51.58		(55.79)	
	Net gains sale on financial assets	(110.82)		(2.59)	
	Sundry advance written back	(16.72)		(20.73)	
	Loss on sale / disposal of fixed assets	9.12	1,079.32	178.48	1,024.46
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9,176.17		8,173.63
	Trade receivables	(1,877.63)		(2,088.33)	
	Other current assets	(1,377.46)		3,446.37	
	Other financial assets	(33.25)		408.02	
	Loans and advances	1.83		10.71	
	Inventories	(5,531.20)		379.50	
	Trade payable	4,239.04		(630.80)	
	Provisions	(25.70)		109.61	
	Other non current financial liabilities	53.96		(2,900.79)	
	Other current financial liabilities	21.11		40.55	
	Other liabilities	(531.55)	5060.85	(1,795.75)	(3,020.91)
	CASH GENERATED FROM OPERATIONS		4,115.32		5,152.72
	Direct taxes paid		(2,199.83)		(1,750.57)
	NET CASH FROM OPERATING ACTIVITIES		1,915.49		3402.15
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets including capital work in progress and capital advance	(6,728.67)		(3,206.96)	
	Proceeds from sale of fixed assets	118.46		347.77	
	Investment in subsidiaries	(12,315.61)		(2,474.56)	
	Share of profit in subsidiary (Partnership)	642.18		779.76	
	Fixed deposits with banks	(271.29)		(75.22)	
	Purchase of current investment	(6,000.00)		(2,376.00)	
	Proceeds from current investments	6,110.82		2,378.59	
	Interest income	89.69		91.45	
	Dividend income	0.01		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		(18,354.41)		(4,535.16)
C.	CASH FLOW FROM FINANCING ACTIVITIES				

Standalone Statement of Cash Flow

for the year ended 31st March 202

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
(Repayments) / proceeds of / from working capital facilities (Net)	2,805.69		(781.84)	
Proceeds from long-term borrowings	9,801.98		41.67	
Proceeds from issue of share capital/share warrants	5,999.98		3,999.99	
Proceeds/(Repayments) from / of term loans	(962.16)		555.96	
Redemption of preference share	(747.74)		(747.73)	
Interest paid	(946.13)		(689.23)	
Dividend paid	(538.43)		(323.28)	
NET CASH FROM FINANCING ACTIVITIES		**15,413.19**		**2,055.54**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,025.73)**		**922.53**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**1,038.64**		**116.11**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**12.91**		**1,038.64**

Notes to Cash Flow Statement:

1. The above cash flow statement has been prepared under the indirect method.
2. Refer Note No 28(i) for amount spent during the year ended 31st Mar 2022 and 31st Mar 2021 on construction / acquisition of assets relating to CSR activities
3. Reconciliation of financing liabilities:

Particular	As at 31st March 2022	As at 31st March 2021
Opening balance	**9,148.64**	**9,826.47**
Cash inflow from non-current borrowings	**7,463.64**	**104.02**
Cash inflow /(outflow) of current borrowings	3,546.60	(781.85)
Closing balance	**20,158.88**	**9,148.64**

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

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Maroli Udyognagar, Dated May 23, 2022

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 1 - Significant Accounting Policies under Ind AS

A) General Information

HLE Glascoat Limited is a limited company, incorporated on 26th August, 1991 in India, whose shares are publicly traded.

In accordance with the Scheme approved by the NCLT, the name of the Company has been changed from Swiss Glascoat Equipments Limited to HLE Glascoat Limited, vide the "Certificate of Incorporation pursuant to Change of Name", issued by the Registrar of Companies dated 5th December, 2019.

The Company is based in the western part of India and is engaged, inter alia, in the following businesses:

(i) Glass Lined Equipment - Manufacturing of Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories.

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

(iii) Chemical - Manufacturing of organic chemicals

The Registered Office of Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division and the Chemical division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat.

B) Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

These separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (refer Note 27A) and

b) Any other item as specifically stated in the accounting policy.

The Financial Statement is presented in Indian Rupee ("INR") and all values are rounded off to Rupees Lakhs unless otherwise stated.

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, 2022 were authorized for issue in accordance with a resolution of the directors on 23rd May, 2022.

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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 28(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.

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.

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes

Notes to the Standalone Financial Statements

as at 31st March, 2022

an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables :

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

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 Sr.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	5-25 Years
Furniture and Fixtures	10 Years
Computers and Computer Server	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)	
-Land – Leasehold	Primary period of lease
Intangible:	
Software	3-5 Years
Technical Know How	10 Years

Notes to the Standalone Financial Statements

as at 31st March, 2022

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Plant and Machinery, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) and Technical Know How acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

The Company undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The Company recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Intangible Assets under Development till the time they are available for use in the manner intended at which moment they are treated as Intangible Assets and amortised over their estimated useful life.

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

Notes to the Standalone Financial Statements

as at 31st March, 2022

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.

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates . Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

The Company as a lessor

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

Notes to the Standalone Financial Statements

as at 31st March, 2022

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

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

6) Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

7) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognised, however, disclosed in financial statement when inflow of economic benefits is probable

8) Foreign Currency Transactions:

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

9) Share Capital and Share Premium:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

10) Dividend Distribution to equity shareholders:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

11) Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known

Notes to the Standalone Financial Statements

as at 31st March, 2022

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.

13) Other Income:

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income:

Interest Income is recognized on a time-proportion basis.

14) 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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

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.

15) **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. 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.

e) **Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution.

Notes to the Standalone Financial Statements

as at 31st March, 2022

16) 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.

17) 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.

18) Current versus non-current classification:

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

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the Standalone Financial Statements

as at 31st March, 2022

All other liabilities are classified as non-current.

c) **Deferred tax assets and liabilities are classified as non-current assets and liabilities.**

19) 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.

20) 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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track

Notes to the Standalone Financial Statements

as at 31st March, 2022

changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b) **Financial Liabilities**

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair value through profit and loss (FVTPL):

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

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

Offsetting of financial instruments

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

Segment Reporting:

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities, respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

Notes to the Standalone Financial Statements

as at 31st March, 2022

21) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April 2022.

i) Ind AS 16 – Property, Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 2 (a) : Property, plant and equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Windmill	Tools and Equipments	Electric Installation and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross Block											
Carrying value as at 31 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 31 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
Additions	35.12	1,975.99	1,987.00	-	137.75	73.99	37.07	68.80	35.50	62.35	4,413.57
Disposals		(24.17)	(120.44)	-	-	(2.32)	-	(0.59)	(0.40)	(4.03)	(151.95)
Carrying value as at 31 March 2022	1,513.03	5,306.98	7,020.01	536.91	553.95	475.49	231.39	488.09	199.95	188.78	16,514.58
Depreciation Block											
Accumulated depreciation / Amortisation as at the 31 March 2020	-	307.02	714.73	260.83	79.69	101.27	54.57	121.17	76.32	71.32	1,786.92
Depreciation / Amortisation for the year		102.74	407.28	14.20	48.22	41.74	14.89	58.10	22.29	17.83	727.29
Transfer to investment property		(1.45)									(1.45)
Disposals		(18.74)	(493.73)		-	(12.21)	-	(15.94)	(0.89)	-	(541.51)
Accumulated depreciation / Amortisation as at the 31 March 2021	-	389.57	628.28	275.03	127.91	130.80	69.46	163.33	97.72	89.15	1,971.25
Depreciation / Amortisation for the year		116.29	427.48	14.18	59.87	44.56	19.98	51.50	23.19	25.33	782.38
Disposals		(0.39)	(19.25)		-	(0.03)	-	(0.35)	(0.37)	(3.93)	(24.32)
Accumulated depreciation / Amortisation as at 31 March 2022	-	505.47	1,036.51	289.21	187.78	175.33	89.44	214.48	120.54	110.55	2,729.31
Net Block											
As at 31 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
As at 31 March 2022	1,513.03	4,801.51	5,983.50	247.70	366.17	300.16	141.95	273.61	79.41	78.23	13,785.27

Note:

1. The amount of borrowing cost capitalised during the year ended 31st March 2022- Rs. 50.41 lakhs (Previous Year Rs. 42.48 lakhs)
2. The title deeds of freehold land are held in the name of the company. Title Deeds in respect of buildings on immoveable property which are constructed on company's freehold/leasehold land is based on documents and constituting evidence of legal ownership .

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 2 (b) : Right of use asset

(Rs. in Lakhs)

Particulars	Land
Gross Block	
Carrying value as at 31 March 2020	**43.42**
Additions	**600.98**
Disposals	
Carrying value as at 31 March 2021	**644.40**
Additions	**269.62**
Disposals	
Carrying value as at 31 March 2022	**914.02**
Depreciation Block	
Accumulated depreciation / Amortisation as at 31 March 2020	**0.60**
Depreciation / Amortisation for the year	**31.56**
Disposals	
Accumulated depreciation / Amortisation as at 31 March 2021	**32.16**
Depreciation / Amortisation for the year	**47.20**
Disposals	
Accumulated depreciation / Amortisation as at 31 March 2022	**79.36**
Net Block	
As at 31 March 2021	**612.24**
As at 31 March 2022	**834.66**

Note 2 (c) : Capital work-in-progress

Particulars	Total
As at 31 March 2021	**312.41**
As at 31 March 2022	**3,138.83**

Capital work-in-Progress ageing schedule

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	101.99	3,036.84			3,138.83
	(312.41)				(312.41)
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note -

(i) Previous year's figures in brackets

(ii) There were no material projects which have exceeded their original planned cost and timelines.

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 2 (d) : Investment property

(Rs. in Lakhs)

Particulars	Buildings
Gross Block	
Carrying value as at 31 March 2020	-
Additions	153.17
Disposals	
Carrying value as at 31 March 2021	**153.17**
Additions	-
Disposals	
Carrying value as at 31 March 2022	**153.17**
Depreciation Block	
Accumulated depreciation / Amortisation as at 31 March 2020	**1.45**
Depreciation / Amortisation for the year	4.85
Disposals	-
Accumulated depreciation / Amortisation as at 31 March 2021	**6.30**
Depreciation / Amortisation for the year	4.85
Disposals	
Accumulated depreciation / Amortisation as at 31 March 2022	**11.15**
Net Block	
As at 31 March 2021	**146.87**
As at 31 March 2022	**142.02**

Note 2 (e) : Other intangible assets

(Rs. in Lakhs)

Particulars	Computer Software	Technical Know How	Total
Gross Block			
Carrying value as at 31 March 2020	**97.48**	**585.50**	**682.98**
Additions	5.46	-	5.46
Disposals			-
Carrying value as at 31 March 2021	**102.94**	**585.50**	**688.44**
Additions	9.86	-	9.86
Disposals			-
Carrying value as at 31 March 2022	**112.80**	**585.50**	**698.30**

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Computer Software	Technical Know How	Total
Depreciation Block			
Accumulated depreciation / Amortisation as at 31 March 2020	**47.57**	**188.47**	**236.04**
Depreciation / Amortisation for the year	16.12	56.73	72.85
Disposals			-
Accumulated depreciation / Amortisation as at 31 March 2021	**63.69**	**245.20**	**308.89**
Depreciation / Amortisation for the year	18.01	56.74	74.75
Disposals			-
Accumulated depreciation / Amortisation as at 31 March 2022	**81.70**	**301.94**	**383.64**
Net Block			
As at 31 March 2021	**39.25**	**340.30**	**379.55**
As at 31 March 2022	**31.10**	**283.56**	**314.66**

Note 3

Investments

(Rs. in Lakhs)

Name of the body corporate	Subsidiaries / Associates / Joint ventures / Structured entities / Others	No. of shares and face value of shares				As at 31st March 2022	As at 31st March 2021
		As at 31st March 2022		As at 31st March 2021			
		Nos.	Face value (in EUR)	Nos.	Face value (in EUR)		
Unquoted - Investment in subsidiaries (At cost)							
Thaletec GmbH	Wholly Owned Subsidiary Company	4	75,000	-	-	11,260.52	-
HL Equipments (Firm)	Subsidiary Company	NA	NA	-	-	4,430.19	3,375.10
		4	75,000			15,690.71	3,375.10
Aggregate value of unquoted investment						15,690.71	3,375.10

Notes to the Standalone Financial Statements

as at 31st March, 2022

Details of investments in partnership firms

Name of the partnership firms and their partners	Total capital		Share of each partner	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
H L Equipments				
M/s HLE Glascoat Limited	4,430.19	3,375.10	99.00%	99.00%
Mr. Himanshu K Patel	2.55	(5.17)	0.25%	0.25%
Mr. Harsh H Patel	5.31	9.48	0.25%	0.25%
Mr. Aalap N Patel	(1.81)	(1.94)	0.25%	0.25%
Mrs. Sheetal H Patel	2.35	9.47	0.25%	0.25%
Total	**4438.59**	**3,386.94**	**100.00%**	**100.00%**

Note 4

Other financial assets at amortised cost (Secured, considered good)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Security deposits	58.34	62.06	3.21	3.34
Bank deposits with more than 12 months maturity	7.03	6.20	-	-
Others:				
- Interest accrued on loans and deposits	-	-	15.35	24.44
- Income receivable	-	-	31.62	2.81
- IT refund receivable	-	-	-	128.92
- Export benefit receivable (Duty drawback)	-	-	54.03	49.26
Total	**65.37**	**68.26**	**104.21**	**208.77**

Note 5

Other assets (Unsecured, considered good)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Capital advances	188.16	423.65	0.00	0.00
Advances to employees	-	-	1.14	0.32
Advances to suppliers	-	-	668.89	428.00
Sub Total	**188.16**	**423.65**	**670.03**	**428.32**
Others				
- Balance with govt. authorities	-	-	1,184.38	121.80
- Prepaid expenses	0.19	0.19	148.35	75.18
Sub Total	**0.19**	**0.19**	**1,332.73**	**196.98**
Total	**188.35**	**423.84**	**2,002.76**	**625.30**

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 6

Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	8,811.34	5,438.25
Work-in-progress	8,378.00	6,730.22
Finished goods	1,261.90	1,114.11
Stores and spares	968.58	606.03
Total	**19,419.82**	**13,888.61**

Note 7

Trade receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables		
Unsecured, considered good #	8,226.16	6,364.64
Credit impaired	18.90	13.39
Less: Impairment provision on expected credit loss model	(18.90)	(13.39)
Total	**8,226.16**	**6,364.64**

of the above, trade receivable due from related party Rs. 850.47 (Previous Year Rs. 953.85 lakhs) (refer note no. 28 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.

Trade receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
Undisputed – considered good	2,675.85	4,655.82	590.88	285.91	17.70	8,226.16
	(2,606.04)	(3,039.52)	(376.62)	(341.24)	(1.22)	(6,364.64)
Undisputed - considered significant increase in credit risk	-	0.12	0.32	12.03	6.43	18.90
	-	(2.07)	(0.36)	(6.56)	(4.40)	(13.39)
Less - Allowance for expected credit loss	-	0.12	0.32	12.03	6.43	18.90
	-	(2.07)	(0.36)	(6.56)	(4.40)	(13.39)
Total	**2,675.85**	**4,655.82**	**590.88**	**285.91**	**17.70**	**8,226.16**
	(2,606.04)	**(3,039.52)**	**(376.62)**	**(341.24)**	**(1.22)**	**(6,364.64)**

Note - Previous year's figures in brackets

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 8

Cash and cash equivalents (As per cash flow statement)

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks (of the nature of cash and cash equivalents)	10.47	1,037.23
Cash on hand	2.44	1.41
Total	**12.91**	**1,038.64**

Note 9

Bank balances other than cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Margin money deposits with bank (under lien)	1,097.14	823.15
Unclaimed dividend account	110.06	95.07
Total	**1,207.20**	**918.22**

Note 10

Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Loans to employees	17.13	18.97
Total	**17.13**	**18.97**

Note 11

Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
NON CURRENT		
Secured		
Term loans (At amortized cost)		
- from banks and financial institution	11,690.48	3,702.97
Interest accrued on term loan	45.33	23.25
Preference share liability (At amortised cost)		
18,75,152 9.50% redeemable preference shares of Rs. 6 each (Previous year Rs. 8 each)	1,246.42	1,792.37
Sub - Total	**12,982.23**	**5,518.59**
CURRENT		
Secured (At amortized cost)		
Current maturities of long-term debt	2,390.63	1,649.72

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Loans repayable on demand		
- from banks and financial institution	4,636.02	1,980.33
Unsecured (At amortized cost)		
Inter corporate loan (refer note no. 28 f)	150.00	-
Sub - Total	**7,176.65**	**3,630.05**
Total	**20,158.88**	**9,148.64**

Non-Current Borrowings

1) Term loan from Bajaj Finance Limited is secured by hypothecation of specific immovable property owned by the promoters. The term loan is repayable in 84 quarterly instalments commencing from November, 2017 and carries an interest rate of 10.25% p.a. (March 31, 2021: 10.75% p.a.) payable on monthly basis.

2) Term loan from HDFC Bank Limited is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. The term loan is repayable in 72 months equal instalment (including 12 months moratorium) beginning from September, 2022 and carries an interest rate of 7.95% p.a. (March 31, 2021: Nil)

3) Term loan from Citibank N.A. is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayment in 16 equal quarterly instalment beginning from April, 2022 and carries an interest rate of 8.25% p.a. (March 31, 2021: 8.25% p.a.)

4) Term loan (foreign currency loan) from Citibank N.A. is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayment in 16 equal quarterly instalments starting from March, 2023 and carries an interest rate of 2.50% p.a. (March 31, 2021: Nil)

5) Term loan from State Bank of India is secured by first pari passu charge over on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayable in 78 and 48 monthly installments beginning October, 2019 and October, 2020 respectively. Carries interest of 9.80%/ 10.05% p.a. (March 31, 2021: 9.80%/ 10.05% p.a.) respectively.

6) Vehicle loans availed from HDFC Bank are secured by hypothecation of respective vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 6.25% p.a. to 10% p.a. (March 31, 2021: 6.25% p.a to 10% p.a.)

7) Vehicle loans taken from financial institution are secured by hypothecation of respective vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. The interest is payable on monthly basis at 11.05% p.a. [March 31, 2021: 11.05% p.a.]

Current Borrowings

1) Working capital facilities including packing credit and foreign bill discounting from HDFC Bank Limited are secured by first pari

Notes to the Standalone Financial Statements

as at 31st March, 2022

passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of interest for cash credit is 7.9% p.a. [March 31, 2021: 9.55% p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2021: LIBOR plus 250 bps].

2) Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured first pari passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2021: 9.25% p.a.]

3) Working capital loan facilities including packing credit and foreign bill discounting from State Bank of India are secured by secured first pari passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of Interest for cash credit is 7.95% p.a. [March 31, 2021: 9.05% p.a.]

4) The unsecured loans from directors and relatives are carrying an interest @ 9% p.a., [March 31, 2021: 9% p.a.] repayable on demand.

5) The monthly/ quarterly statements of stock and book debts filed by the Company with the banks are in agreement with the books of accounts and there are no material discrepancies.

List of immovable property of the Company as under:

1. Plot No A/6, R.S. No 153, New Block No 140, Maroli to Ubhrat Road Village Nanod Maroli Navsari.
2. Plot No 200, Village Nadod Navsari, Block B-3, Navsari.
3. Block No. 200 Paiky, Plot No.B/1/4, Maroli To Ubhrat Road, Village Nanod, Maroli, Talika and District Navsari.
4. Survey No-183/P1, Village Naroli, Silvassa.
5. Plot No. H 106, R S No.1425/P,1435/P,1431/P,1416/P and 1424/P, Vitthal Udyognagar Industrial Area, Village Mogri, Taluka Anand, District Kheda.
6. Plot No. I 107, 107/A and I-105, Revenue Survey No.808/P,809/P,811/P, R S No.426/P,1427/P,1428/P,1429/P and 1430/P, At. Mogri, Taluka Anand, District Kheda.

Note 12

Other financial liabilities

(Rs. in Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Unclaimed dividends	-	-	110.06	95.07
Others :				
Security deposit	0.90	1.90	1.67	2.05
Employee related payable	-	-	378.65	384.08
Retention money	-	-	81.88	-
Capital creditors	-	-	496.37	292.64
Total	**0.90**	**1.90**	**1,068.63**	**773.84**

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 13

Provisions

(Rs. in Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		-		
Gratuity	-	-	114.49	160.06
Leave benefits	54.68	44.98	14.26	15.80
Provision for unexpired warranty			92.50	80.77
Total	**54.68**	**44.98**	**221.25**	**256.63**

Movement of provision for unexpired warranty

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	80.77	39.47
Add: Additional provision made during the year	135.62	51.41
Less: Provision amount used during the year	123.89	10.11
Closing balance	**92.50**	**80.77**

Movement of provision for employee benefits

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	220.84	152.52
Add: Additional provision made during the year	57.56	141.18
Less: Provision amount used during the year	94.97	72.86
Closing balance	**183.43**	**220.84**

Note 14

Deferred tax liabilities - (Net)

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax liabilities:		
- Arising on account of difference in carrying amount and tax base of PPE, intangibles and others	1,149.33	1,141.27
- Accrued expenses allowable on actual payment	8.59	-
Deferred tax assets:		
- Accrued expenses allowable on actual payment	-	(19.90)
- MAT credit	(808.86)	(808.86)
Total	**349.06**	**312.51**

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 15

Trade payables

(Rs. in Lakhs)

Particulars	Current	
	As at 31st March 2022	As at 31st March 2021
Outstanding dues of micro enterprises and small enterprises	268.24	452.46
Outstanding dues of creditors other than micro enterprises and small enterprises	10,213.44	5,791.56
Total	**10,481.68**	**6,244.02**
Of the above;		
- Acceptances	3,846.87	1,112.78
- Payable to related party Rs. 23.87 Lakhs (Previous year Rs. 11.37 Lakhs) (Refer note 28 f)		

Trade payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	268.24					268.24
	(452.46)					(452.46)
(ii) Others	5,260.44	4,937.34	9.28	6.38		10,213.44
	(2,875.24)	(2,839.71)	(69.19)	(7.42)		(5,791.56)
(iii) Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	5,528.68	4,937.34	9.28	6.38	-	10,481.68
	(3,327.70)	(2,839.71)	(69.19)	(7.42)	-	(6,244.02)

Note - Previous year's figures in brackets.

Note 16

Other liabilities

(Rs. in Lakhs)

Particulars	Current	
	As at 31st March 2022	As at 31st March 2021
Contract liability (Advance from customers)	3,737.68	4,428.29
Statutory dues	171.56	133.43
Liabilities for expenses	257.09	152.88
Total	**4,166.33**	**4,714.60**

During the year ended 31st March, 2022, the company has recognised revenue of Rs. 4,281.34 lakhs (Previous Year Rs. 5,900.59 lakhs) arising from opening unearned revenue (contract liabilities).

Notes to the Standalone Financial Statements

as at 31st March, 2022

Movement of contract liabilities is as under ;

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
As at beginning of the year	4,428.29	6,122.16
Recognised as revenue from contracts with customers	4,281.34	5,900.59
Advance returned back to customer	2.56	7.59
Advance from customers received during the year	3,593.29	4,214.31
Balance at the end of the year	**3,737.68**	**4,428.29**

Note 17

Revenue from operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations		
Sale of goods	49,289.85	40,927.01
Sale of services	1,041.22	872.31
Other operating revenues:		
- Scrap sales	482.81	254.86
- Miscellaneous	35.05	16.93
Total	**50,848.93**	**42,071.11**

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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Gross sales (Contracted price)	49,297.95	40,950.88
Reductions towards variable consideration (Discounts & delayed delivery charges)	8.10	23.87
Revenue recognised	**49,289.85**	**40,927.01**

Note 18

Other income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest income	80.59	86.12
Rent income	84.00	58.00
Dividend income (on long term investment treated as deposits)	0.01	0.01
Export incentives	72.44	102.03
Net gain on sale of investments	110.82	2.58
Net gain on foreign currency transaction	131.86	-
Gain on sale of property, plant and equipment	26.33	31.51
Deferred income	63.18	14.47
Cessation of liability	16.72	20.73

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Income from windmill	126.63	86.91
Share of profit in subsidiary (Firm)	642.18	779.76
Miscellaneous income	31.55	18.21
Total	**1,386.31**	**1,200.33**

Note 19

Cost of materials consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock of raw materials	5,438.25	5,664.78
Purchases during the year	30,853.01	19,435.57
Closing stock of raw materials	(8,811.34)	(5,438.25)
Total	**27,479.92**	**19,662.10**

Note 20

Changes in inventories of finished goods and work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Closing stock:		
Finished goods	1,261.90	1,114.11
Work-in-progress	8,378.00	6,730.22
	9,639.90	**7,844.33**
Less: Opening stock:		
Finished goods	1,114.11	1,182.07
Work-in-progress	6,730.22	7,087.02
	7,844.33	**8,269.09**
Total	**(1,795.57)**	**424.76**

Note 21

Employee benefits expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages	3,365.12	3,123.97
Contribution to provident, gratuity and other funds	161.85	148.29
Staff welfare expenses	264.09	177.19
Total	**3,791.06**	**3,449.45**

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 22

Finance costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest on loans	482.24	386.32
Interest on working capital facilities	344.47	203.25
Interest - others	8.14	0.08
Interest on unsecured loan	55.97	55.67
Dividend on redeemable preference share	11.56	15.14
Other borrowing costs:		
Unwinding of discount relating to long term liabilities	228.78	282.89
Total	**1,131.16**	**943.35**

Note 23

Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of property, plant and equipment	782.38	727.29
Depreciation of investment property	4.85	4.85
Amortisation of right- of -use assets	47.20	31.56
Amortisation of intangible assets	74.75	72.85
Total	**909.18**	**836.55**

Note 24

Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Stores and spares consumed	2,078.60	1,711.44
Power and fuel	2,293.58	1,722.98
Processing expenses	4,833.60	4,028.44
Rent	26.60	26.60
Rates and taxes	66.64	272.35
Insurance expenses	93.74	84.52
Printing and stationery	38.62	29.52
Repairs and renewals:		
Buildings	130.89	151.03
Plant and machinery	186.60	257.19
Other assets	14.19	12.72
Travelling and conveyance	169.59	96.26
Communication expenses	57.37	32.98
Vehicle expenses	47.77	78.66
Auditors' remuneration:		

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Statutory audit fees	17.00	15.00
Tax audit fees	2.00	2.00
Other fees	4.23	11.50
Director's sitting fee	5.10	3.90
Director's travelling	5.41	5.77
Sales promotion expenses	12.42	7.00
Bad debts written-off	0.32	15.36
Donation	0.85	1.52
Corporate social responsibility expense (Refer note 28 i)	110.75	59.35
Security expenses	64.50	54.36
Commission	392.41	401.79
Freight and forwarding (Net)	946.01	667.96
Laboratory expense	27.98	26.53
Packing expenses	34.49	21.27
Pollution control exp	81.05	90.67
Expected credit loss	10.00	3.34
Bank charges	148.49	87.61
Net loss on foreign currency translation and transaction	-	16.68
Loss on disposal/Impairment of property, plant and equipment	35.45	209.99
Legal and professional fees	364.90	324.75
Inventory write-off	-	55.56
Warranty expense (Refer note 13)	135.62	51.41
Miscellaneous expenses	185.87	168.05
Total	**12,622.64**	**10,806.06**

Note 25

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.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Interest bearing loans and borrowings	20,158.88	9,148.64
Less: Cash and short term deposits	1,220.11	1,956.86
Net debt	18,938.77	7,191.78
Equity	1,365.31	1,307.55
Other equity	26,766.80	15,147.94

Notes to the Standalone Financial Statements
as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Total capital	28,132.11	16,455.49
Capital and net debt	47,070.88	23,647.27
Gearing ratio %	40.23%	30.41%

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 includes 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.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Fixed-rate instruments		
Borrowings	**20,158.88**	**9,148.64**

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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

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:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
More than 6 months	894.49	719.08
Others	7,331.67	5,645.56
	8,226.16	**6,364.64**

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.

(Rs. in Lakhs)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	11	7,221.98	8,697.14	4,239.76	-
		(3,653.30)	**(4,371.86)**	**(1,123.48)**	-
Trade payable	15	10,466.02	15.66		
		(6,167.41)	**(76.61)**		
Security deposit	12	1.67	0.90		
		(2.05)	**(1.90)**		
Employee benefit/ expense liabilities	12	378.65			
		(384.08)			
Unclaimed dividends	12	110.06			
		(95.07)			
Others	12	578.25			
		(292.64)			

Figures in brackets are in respect of previous year.

Notes to the Standalone Financial Statements

as at 31st March, 2022

Note 26

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

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Accounting profit before income tax	**8,096.85**	**7,149.17**
At India's statutory income tax rate of 25.17% (31 March, 2021: 29.12%)	2,050.79	2,065.58
Effect of exempt / lower tax non-operating income	(161.62)	(227.06)
Effect of non-deductible expenses	(5.34)	88.01
Changes in recognised deductible temporary differences	36.55	(12.09)
	1,920.37	**1,914.44**

Section 115BAA of the Income tax Act, 1961 as amended by the Finance Act 2020 has allowed an option to the domestic companies to switch to a lower tax rate structure of 22% (25.17% including surcharge and cess) from the earlier 25% (29.12% including surcharge and cess) on certain conditions. The Company has elected to switch to the new lower tax rate structure with effect from the financial year 2021-22.

Note 27

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)

As at 31st March 2022	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	3			15690.71	15,690.71			15,690.71	15,690.71
Trade Receivables	7	-	-	8,226.16	8,226.16	-	-	8,226.16	8,226.16
Loans	10	-	-	17.13	17.13	-	-	17.13	17.13
Others financial assets	4	-	-	169.58	169.58	-	-	169.58	169.58
Cash and cash equivalents	8	-	-	12.91	12.91	-	-	12.91	12.91
Bank balances other than above	9	-	-	1,207.20	1,207.20	-	-	1,207.20	1,207.20
		-	-	**25,323.69**	**25,323.69**	-	-	**25,323.69**	**25,323.69**
Financial liabilities									
Borrowings	11		-	20,158.88	20,158.88	-	20,158.88	-	20,158.88
Lease liabilities				370.50	370.50			370.50	370.50
Trade Payables	15	-	-	10,481.68	10,481.68	-	-	10,481.68	10,481.68
Other Financial Liabilities	12	-	-	1,069.53	1,069.53	-	-	1,069.53	1,069.53
		-	-	**32,080.59**	**32,080.59**	-	**20,158.88**	**11,921.71**	**32,080.59**

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

As at 31st March 2021	Note No.	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total	Fair value Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments				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	277.02	-	-	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		-	-	**11,992.60**	**11,992.59**	-	-	**11,992.60**	**11,992.60**
Financial liabilities									
Borrowings	11		-	9,148.64	9,148.64	-	9,148.64	-	9,148.64
Lease liabilities				132.53	132.53			132.53	132.53
Trade payables	15	-	-	6,244.02	6,244.02	-	-	6,244.02	6,244.02
Other financial liabilities	12	-	-	775.74	775.74	-	-	775.74	775.74
Total		-	-	**16,300.93**	**16,300.93**	-	**9,148.64**	**7,152.29**	**16,300.93**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Profit after taxation		
Profit for the period from continuing operations	6,420.24	5,011.62
Profit for the period from discontinuing operations	(243.76)	223.11
Weighted average number of equity shares for the purpose of basic earnings per share (nos in lakhs)	1,36,53,096	1,29,74,991
EARNINGS PER EQUITY SHARE		
a. From continuing operations		
Basic	47.02	38.63

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars		As at 31st March 2022	As at 31st March 2021
	Diluted	47.02	38.63
b.	From discontinuing operations		
	Basic	(1.79)	1.72
	Diluted	(1.79)	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 31st March 2022	As at 31st March 2021
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	268.24	452.46
(ii)	Interest accrued and due to suppliers on above amount, unpaid	1.18	6.08
(iii)	The amount of interest paid by the buyer in terms of Section16 of the MSMED Act,2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	-	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	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	1.18	6.08
(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	12.19	11.01

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 Company- Not applicable (Previous Year Not applicable)

d) Expenditure on Research and Development

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Revenue expenditure:		
Employee benefit expenses	118.11	120.33
Labour charges	23.66	21.50
Power and fuel	40.77	17.14
Repair & maintenance	21.78	28.29
Freight and forwarding expenses	0.25	0.23

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Travelling and conveyance	-	0.00
Legal & professional fees	-	0.65
Laboratory expense	11.61	9.82
Miscellaneous expenses	0.02	0.14
Sub- Total	**216.20**	**198.10**
Capital expenditure:		
R & D Plant and Machinery	32.95	78.46
R & D Computers	0.44	0.31
R & D Furniture & Fixtures	0.35	0.00
Sub- Total	**33.74**	**78.77**
Total	**249.94**	**276.87**

This information complies with the terms of the R & D recognition granted upto 31st March 2024 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/3905/2021 Dtd. 17th August, 2021.

During the year the Company has opted for taxation u/s 115BAA and hence has not claimed any benefit under R&D expenditure.

e) Disclosures as per IND AS - 19 - employee benefits

The Company make contributions towards provident fund, in substance a defined benefit retirement plan and towards pension and superannuation funds which are defined contribution retirement plans for qualifying employees. The Company are liable to pay to the provident fund to the extent of the amount contributed and any shortfall in the fund assets based on Government specified minimum rates of return relating to current services. Such contribution and shortfall if any, are recognised as an expense in the year in which these are incurred.

The Company make annual contributions to the Employees' Gratuity Trust, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The trustees of the trust fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

1) During the year, the Company has recognised the following amounts in the statement of profit and loss:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
i) Employer's contribution to provident fund	89.29	80.06
*Included in "contribution to provident, gratuity and other funds" (Note 22).		
ii) Leave encashment - unfunded	64.08	43.11
iii) Defined benefit obligation:		

Notes to the Standalone Financial Statements

as at 31st March, 2022

2) **The valuation results for the defined benefit gratuity plan as at 31-3-2022 are produced in the tables below:**

i) **Changes in the present value of obligation**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Present value of obligation as at the beginning	496.24	**389.75**
Current service cost	47.17	39.28
Interest expense or cost	32.21	25.68
Liability transfer out		
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(64.63)	14.85
- experience variance (i.e. actual experience vs assumptions)	13.20	45.43
Past service cost		
Benefits paid	(43.25)	(18.74)
Present value of obligation as at the end	**480.94**	**496.24**

ii) **Changes in the fair value of plan assets**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Fair value of plan assets as at the beginning	**336.17**	**290.80**
Investment income	21.82	19.16
Return on plan assets excluding interest income	0.15	4.48
Employer's contribution	51.56	40.47
Benefits paid	(43.25)	(18.74)
Fair value of plan assets as at the end	**366.45**	**336.17**

iii) **Expenses recognised in the income statement**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Current service cost	47.17	39.28
Net interest cost / (income) on the net defined benefit liability / (asset)	10.39	6.52
Expenses recognised in the income statement	**57.56**	**45.80**

iv) **Other comprehensive income**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Actuarial (gains) / losses	-	-
- change in financial assumptions	(64.63)	14.85
- change in demographic assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	13.20	45.43

Notes to the Standalone Financial Statements
as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Adjustment of present value of obligation at the beginning of the year	-	-
Return on plan assets excluding interest income	(0.15)	(4.49)
Components of defined benefit costs recognised in other comprehensive income	**(51.58)**	**55.79**

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

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Funds managed by insurer	100%	100%
Investment in insurance Company		
Life Insurance Corporation of India	15%	16%
Reliance (Nippon Life insurance)	35%	47%
Bajaj Allianz	50%	37%

vi) **Actuarial assumptions**

a. **Financial assumptions**

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

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate (per annum)	6.84%	6.49%
Salary growth rate (Anand Unit)	7.00%	7.00%
Salary growth rate (Maroli Unit)	7.00%	10.00%

b. **Demographic Assumptions**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Mortality rate {% of IALM 2012-14(Urban)}	100.00%	
Mortality rate (% of IALM 06-08) Ultimate		100.00%
Withdrawal rates, based on age: (per annum)		
For Anand Unit	7.95%	7.50%
For Maroli Unit:		
For service 4 years and below	20.00%	20.00%
For service 5 years and above	10.00%	10.00%

Notes to the Standalone Financial Statements
as at 31st March, 2022

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 31st March 2022	As at 31st March 2021
Defined Benefit Obligation (Base)	480.94	496.24

(Rs. in Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	31.25	(27.65)	30.63	(32.27)
(% change compared to base due to sensitivity)	-93.5%	-105.8%	-93.8%	-106.5%
Salary Growth Rate (- / + 1%)	(27.31)	29.93	(31.81)	29.35
(% change compared to base due to sensitivity)	-105.7%	-93.8%	-106.4%	-94.1%
Employee Turnover Rate (- / + 1%)	1.55	(1.53)	3.87	(8.92)
(% change compared to base due to sensitivity)	-99.7%	-100.3%	-99.2%	-101.8%

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 31st March 2022	As at 31st March 2021
The Company's best estimate of Contribution during the next year	103.67	92.22
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	8 Years	8 Years

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Expected cash flows over the next (valued on undiscounted basis)	As at 31st March 2022	As at 31st March 2021
1 year	60.72	77.89
2 to 5 years	193.41	172.63
6 to 10 years	217.06	214.62
11 and above years	342.70	363.88

f) Related party disclosures

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

Names of other related parties and nature of relationship :

Subsidiaries Company	Thaletec GmbH (Wholly owned subsidiary w.e.f. 17th December 2021)
	H L Equipments (Firm)
Step-down subsidiary Company	Thaletec Inc, USA (w.e.f. 17th December 2021)
Key Management Personnel :	**Executive Directors / CS / CFO**
	Mr. Himanshu Patel (Managing Director)
	Mr. Aalap Patel (Executive Director-Technical)
	Ms. Dhwani Shah (Former Company secretary and compliance officer up to 31.01.2022)
	Mr. Achal Thakkar (Company Secretary & Compliance Officer) (w.e.f. 10.05.2022)
	Mr. K V Unnikrishnan (Former Chief Financial Officer up to 31.03.2022)
	Mr. Naveen Kandpal (Chief Financial Officer) (w.e.f. 01.03.2022)
	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 :	Ms. Swara R. Patel (daughter of Mr. Himanshu K Patel)
	Ms. Priti H. Patel (spouse of Mr. Himanshu K Patel)
	Mr. Sahil H Patel (son of Himanshu K Patel)
	Ms. Poonam H Patel (daughter of Himanshu K Patel)
	Mr. Hitesh C. Patel (brother in law of Mr. Himanshu K Patel)
	Ms. Bhoomi A Patel (spouse of Aalap N Patel)
	Ms. Kishori N. Patel (wife of Mr. Nilesh K. Patel)
	Ms. Neha N Patel (daughter of Nilesh K Patel)
	Ms. Nidhi N Patel (daughter of Nilesh K Patel)
	Ms. Sheetal H Patel (spouse of Harsh H Patel)

Notes to the Standalone Financial Statements
as at 31st March, 2022

Entities in which directors are interested: Yashashvi Rasayan Private Limited
Yashaswati Foundation
Yash Speciality Chemicals LLP
H.N. Indigos Private Limited
Maroli Udyognagar Land Development and Management Company Private Limited
Newpar Aromatics LLP [upto 12th March, 2018 Newpar Aromatics Private Limited]
HLE Engineers Private Limited

Entities in which relatives of Key Management Personnel are interested : Applied Electrostatics & Controls Private Limited

Others: Employee Gratuity Fund - HLE Glascoat Limited

Transactions with related parties (excluding reimbursements)

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Subsidiary Company				
H. L. Equipments				
Sales of goods/services	1,832.97	1,632.53	0.33	(3.62)
Purchase of goods/services	315.83	31.01	15.70	-
Capital introduced	1,198.00	3,633.56	-	-
Capital withdrawn	830.00	1,159.00	-	-
Capital balance as on year ending	-	-	4,430.19	3,375.10
Share of profit	642.18	779.76	-	-
Interest on capital	44.91	32.19	-	-
Thaletec GmbH (Wholly owned subsidiary)				
Investment	11,260.52	-	11,260.52	-
Key management personnel :				
Remuneration*(Short term employee benefit)	208.24	183.66	20.56	13.26
Commission	82.59	73.04	67.39	54.29
Rent expense	7.80	-	1.76	-
Dividend (Equity shares)	151.38	94.61	-	-
Dividend (Preference shares)	-	6.42	-	-
Loan from directors :				

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Balance as on year ending			-	-
Loan received	-	2,675.58	-	-
Loan repaid	-	2,760.08	-	-
Interest Paid	-	33.59	-	-
Realtives of KMP :				
Dividend (Equity shares)	232.65	145.41	-	-
Dividend (Preference shares)	0.43	9.89	-	-
Sitting fee	5.10	3.90	-	-
Rent expense	6.52	-	1.24	-
Purchase of goods/services	10.80	9.00	4.86	4.16
Loan repaid	-	235.00	-	-
Entities in which directors are interested:				
Sales of goods/services	898.71	4,157.73	(850.47)	(950.23)
Purchase of goods/services	2.75	5.82	0.31	11.37
Donation for corporate social responsibility activity	52.00	59.35	-	-
Entities in which realtives of KMP are interested:				
Balance as on year ending	-	-	150.00	-
Loan received	150.00	-		-
Gratuity fund	51.56	40.46	366.45	260.00

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 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: 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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

g) **Segment Information**

The operations of the Company are limited to two segment viz. (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment. The Registered Office and Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment division is located at Maroli Udyog Nagar, Vil. Nadod, Tal. Jalalpor, Dist. Navsari, Gujarat.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Details of segment information:

(Rs. in Lakhs)

Particulars	**Filtration, drying and other equipment**		**Glass lined equipment**		**Total**	
	As at 31st March 2022	**As at 31st March 2021**	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2022**	**As at 31st March 2021**
Revenue :						
External sales	24,592.78	17,797.15	25,447.49	20,021.24	50,040.27	37,818.39
Other					808.66	4,252.72
Total external sales					**50,848.93**	**42,071.11**
Segment results :						
Profit/(Loss) before tax and interest	3,460.50	2,960.63	5,186.79	4,193.32	8,647.29	7,153.95
Less: Other unallocable expense net of unallocable income					(580.72)	(938.57)
Less: Interest expense					1,131.16	943.35
Profit/(loss) before tax					**8,096.85**	**7,149.17**
Taxes					1,920.37	1,914.44
Net profit after tax					**6,176.48**	**5,234.73**
Segment assets	26,257.64	16,749.82	20,259.26	15,048.24	46,516.90	31,798.06
Unallocated segment assets					18,633.16	6,865.07
Total assets					**65,150.06**	**38,663.13**
Segment liabilities	7,495.85	5,527.47	8,770.38	6,202.21	16,266.23	11,729.68
Unallocated segment liabilties					20,751.72	10,477.96
Total liabilities					**37,017.95**	**22,207.64**
Capital expenditure	3,293.54	2,324.62	1,381.18	1,641.37	4,674.72	3,965.99
Unallocated capital expenditure					18.33	111.02
Depreciation	325.20	248.27	482.88	419.68	808.08	667.95
Unallocated depreciation					101.10	168.60
Total depreciation					**909.18**	**836.55**

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Capital employed	28,132.11	16,455.49

Geographic information

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Revenue from external customers		
India	47,322.24	39,374.55
Outside India	3,526.69	2,696.56
Total	**50,848.93**	**42,071.11**

The external customer with whom the Company has earned revenue of more than 10% of its revenue is Rs. 5,981.41 lakhs during the year 21-22 & Rs. 5,381.32 lakhs during the year 20-21.

h Ratio

Particulars	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.33	1.42	-6.67%	
b) Debt equity ratio	Total debt(current and non current)	shareholders' equity	0.72	0.56	28.89%	The Company has taken term loans for the acquisition of 100% equity stake in M/s Thaletec GmbH and also for setting up a new greenfield plant at silvassa unit.
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	1.22	2.00	-38.72%	The Company has taken term loans for the acquisition of 100% equity stake in M/s Thaletec GmbH and also for setting up a new greenfield plant at silvassa unit.
d) Return on equity %	Net profits after taxes	Average shareholder's equity	27.70%	43.49%	-36.29%	Equity raised at premium during the year
e) Inventory Turnover Ratio	Cost of goods sold	Average inventory	3.05	2.99	2.17%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.97	7.89	-11.64%	

Notes to the Standalone Financial Statements

as at 31st March, 2022

Particulars	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance (in %)	Explanation for change of 25% or more
g) Trade payables turnover ratio	Purchases of goods & services and other expenses	Average trade payables	3.69	4.72	-21.77%	
h) Net capital turnover ratio	Revenue from operations	Working capital	6.63	6.16	7.59%	
i) Net profit %	Net profit	Revenue from operations	12.15%	12.44%	-2.38%	
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	19.10%	31.69%	-39.74%	The Company has taken term loans for the acquisition of 100% equity stake in M/s Thaletec GmbH and also for setting up a new greenfield plant at silvassa unit.
k) Return on investment %	Interest income, net gain on sale of investments and net fair value gain	Investments	1.85%	0.11%	1,594.39%	

i) **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. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
i) Amount required to be spent by the Company during the year	101.35	59.35
ii) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	110.75	59.35
iii) Shortfall/(excess) at the end of the year	(9.40)	-
iv) Total of previous years shortfall	-	-

Notes to the Standalone Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
v) Reason for shortfall	NA	
vi) Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects	
vii) Details of related party transactions, e.g.,contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Ind AS	52.00	59.35
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	

j) Commitment

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 272.48 lakhs (Previous Year Rs. 833.34 lakhs)

(ii) Letters of Credit issued by the Banks - Rs. 3,846.87 lakhs (Previous Year Rs. 2,138.12 Lakhs)

k) Contingent Liabilities not provided for:

(i) Claims not acknowledged as debts:

(a) There is a pending litigation against the Company for compensation of loss of profit of Rs. 500.00 Lakhs. The Court has decided the judgement in favour of the Company, however the mater has been referred to the High Court, in the opinion of the management, no provision is considered necessary.

(b) Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 Lakhs (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).

(c) Disputed Service Tax for the period 2012 to 2015 is Rs. 29.07 Lakhs (Previous Year Rs.29.07 Lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.09 Lakhs (Previous Year Rs. 5.09 Lakhs).

(d) 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).

l) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 5.43 lakhs (Previous Year - Rs. 4.59 lakhs).

m) There are no material transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Notes to the Standalone Financial Statements

as at 31st March, 2022

n) **Discontinuing Operations:**

a) **Description of Discontinuing Operations:**

i) 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 product.

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 and has business only in India

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 2021-22.

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 still in progress as at March 31, 2022.

e) **Details of Property, Plant and Equipment are as under:**

(Rs. in Lakhs)

Fixed Assets	As at 31 March 2022	As at 31 March 2021
Building	-	528.34
Plant & Machinery	786.20	922.61
Total Assets	**786.20**	**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.

Notes to the Standalone Financial Statements

as at 31st March, 2022

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 March 2022	As at 31 March 2021
Revenue from operations	808.66	4,252.72
Other income	30.37	48.75
Depreciation on assets	96.99	164.49
Other expenses	985.80	3,819.74
Profit/(loss) before tax	**(243.76)**	**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**

i) The Board has recommended dividend @ 50% (Rs. 5) per equity share and declared dividend @ 9.50% (Rs.0.57) per preference share at its meeting held on 23rd May, 2022.

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

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

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

Mr. Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Independent Auditor's Report

to the Members of HLE Glascoat Limited

1. Opinion

We have audited the accompanying Consolidated Financial Statements of HLE GLASCOAT Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended and notes to financial statements, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2022, and its Consolidated profit (financial performance including Other Comprehensive Income), the Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) 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 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 Financial Statements.

3. Key Audit Matters

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

S No.	Key Audit Matter	Our Response
1	**Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims** The Holding Company has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** We performed the following substantive procedures: Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. We have assessed the value of significant provisions and contingent liabilities, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. Evaluating judgements made by the Holding Company by comparing the estimates of prior year to the actual outcome. Assessing the disclosures in the financial statements in respect of provisions and contingent liabilities. Conclusion We agree with management's evaluation.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

S No.	Key Audit Matter	Our Response
2	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Group 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.

4. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Consolidated Financial Statements and our auditor's 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 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 Financial Statements or our knowledge obtained during the course of our 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.

5. Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies 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 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

In preparing the Consolidated Financial Statements, the respective Board of Directors and management of the companies and entities 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 respective Board of Directors and management of the companies and entities included in the Group are responsible for overseeing the financial reporting process of the Group.

6. Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 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 companies which are companies incorporated in India, 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 in the consolidated financial statements made by the 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 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated 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 are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit 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 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.

8. Other Matters

The consolidated audited financial statements include financials of a foreign wholly owned subsidiary, Thaletec GmBH, whose financial statements have been prepared in accordance with accounting principles generally accepted in its country which have been audited by local auditors under generally accepted accounting standards applicable in its country. The Parent Company's management has converted the financial information from accounting principles generally accepted in their respective country to accounting principles generally accepted in India, whose financial results and Group's share reflect total assets of Rs. 16,582.63 lakhs as at 31st March 2022 and total revenue of Rs. 7,592.07 lakhs, total net profit after tax of Rs.604.76 lakhs and total comprehensive income of Rs.697.96 lakhs for the period 17th December 2021 to 31st March 2022, as considered in the consolidated audited financial results.

Our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.

The consolidated audited financial results include the financial statement of a foreign step-down subsidiary (Thaletec USA) whose financial statements have been prepared in accordance with accounting principles generally accepted in its country under generally accepted accounting standards applicable in its country and have been reviewed by the management. The Parent Company's management has converted the financial information from accounting principles generally accepted in its country to accounting principles generally accepted in India, whose financial results and Group's share reflect total assets of Rs. 623.54 lakhs as at 31st March 2022, total revenue of Rs.42.11 lakhs, of total net profit after tax and total comprehensive income of Rs.3.86 lakhs for the period 17th December 2021 to 31st March 2022, as considered in the consolidated audited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group for these financial results.

Our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this step-down subsidiary, is based solely on the management certified accounts and the procedures performed by us as stated under Auditor's Responsibilities section above.

9. Report on Other Legal and Regulatory Requirements

9.1 As required by Section 143(3) of the Act, based on our audit, we report that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

Independent Auditor's Report

to the Members of HLE Glascoat Limited

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated 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 the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March, 2022 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 with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 28 (h) to the Consolidated Financial Statements;

ii. The Group has not entered into any long-term contracts including derivative contracts during the year;

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

iv. (a) The Managements of the Company whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Managements of the Holding Company whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been received by the Company, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Independent Auditor's Report

to the Members of HLE Glascoat Limited

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Company whose financial statements have been audited under the Act, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company being the only company incorporated in India have complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting, as applicable.

vi. According to the information and explanations given to us and based on the CARO report issued by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the holding company and to no other company included in the consolidated financial statements.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Mem.No.36490

UDIN: 22036490AJLHJG5128
Place: Mumbai
Date : 23rd May 2022

ANNEXURE "A"

th the Independent Auditor's Report of Even Date on the Consolidated 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")

1. OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Financial Statements of HLE GLASCOAT LIMITED ("the Holding Company"), as of that date. In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 Financial Statements were 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 Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 Holding Company.

4. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to 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 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

ANNEXURE "A"

th the Independent Auditor’s Report of Even Date on the Consolidated Financial Statements of HLE Glascoat Limited.

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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 Reg.No.107122W / W100672

N Kashinath
Partner
Mem.No.36490

UDIN : 22036490AJLGMX3731
Place : Mumbai
Date : 23rd May 2022

Consolidated Balance Sheet

as at 31st March 2022

(Rs in Lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
I) ASSETS			
1) Non-Current Assets			
a) Property, plant and equipment	2 (a)	22,833.32	10,860.74
b) Right of use assets	2 (b)	1,108.18	612.24
c) Capital work-in-progress	2 (c)	3,115.41	312.41
d) Investment property	2 (d)	142.02	146.87
e) Goodwill on consolidation		48.47	-
f) Other intangible assets	2 (e)	375.36	379.55
g) Financial assets;			
(i) Others financial assets	3	79.14	73.49
h) Other non-current assets	4	188.35	423.84
i) Deferred tax assets (Net)	5	38.71	-
j) Income tax assets (Net)		193.35	185.57
2) Current Assets			
a) Inventories	6	26,803.13	14,764.18
b) Financial assets;			
(i) Trade receivables	7	14,799.48	6,918.02
(ii) Cash and cash equivalents	8	2,492.98	1,049.22
(iii) Bank balances other than cash and cash equivalents	9	1,445.23	1,002.69
(iv) Loans	10	17.27	20.71
(v) Others financial assets	3	247.53	210.10
c) Other current assets	4	2,117.24	751.81
TOTAL ASSETS		**76,045.17**	**37,711.44**
II) EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	SOCE	1,365.31	1,307.55
b) Other equity	SOCE	23,987.53	12,161.49
c) Non controlling interest	SOCE	8.40	11.84
Total Equity		**25,361.24**	**13,480.88**
2) LIABILITIES			
i) Non-Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	12,982.23	5,518.59
(ii) Lease liabilities		765.57	94.37
(iii) Other financial liabilities	12	438.37	1.90
b) Other non-current liabilities	13	13.41	-
c) Provisions	14	1,981.74	44.98
d) Deferred tax liabilities (Net)	15	372.32	333.14
ii) Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	7,726.83	3,805.05
(ii) Lease liabilities		215.34	38.16
(iii) Trade payables	16		
Outstanding dues of micro enterprises and small enterprises		330.54	567.05
Outstanding dues of creditors other than micro enterprises and small enterprises		12,883.62	6,646.90
(iv) Other financial liabilities	12	1,082.19	801.15
b) Other current liabilities	13	10,259.83	5,248.87
c) Provisions	14	852.68	265.04
d) Income tax liabilities		779.26	865.36
Total Liabilities		**50,683.93**	**24,230.56**
TOTAL EQUITY AND LIABILITIES		**76,045.17**	**37,711.44**
Significant accounting policies	1		
Accompanying notes are an integral part of these financial statements			

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

Mr. Himanshu Patel
Managing Director
(DIN-00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
I) INCOME			
a) Revenue from operations	17	65,221.82	48,448.93
b) Other income	18	803.56	393.32
TOTAL INCOME (a+b)		**66,025.38**	**48,842.25**
II) EXPENSES			
a) Cost of materials consumed	19	33,907.55	23,041.81
b) Changes in inventories of finished goods and work-in-progress	20	(2,048.00)	638.18
c) Employee benefits expense	21	6,726.81	3,635.76
d) Finance costs	22	1,311.10	973.70
e) Depreciation and amortisation expense	23	1,122.58	860.99
f) Other expenses	24	15,662.64	11,967.73
TOTAL EXPENSES (a to f)		**56,682.68**	**41,118.17**
III) PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEM (I-II)		**9,342.70**	**7,724.08**
IV) Exceptional items (Refer note 28 l)		911.42	-
V) PROFIT BEFORE TAX (III-IV)		**8,431.28**	**7,724.08**
VI) TAX EXPENSE			
a) Current tax		2,570.46	2,396.05
b) Prior period tax		(1.69)	-
c) Deferred tax		39.17	(9.07)
TOTAL TAX EXPENSE (a+b+c)		**2,607.94**	**2,386.98**
VII) PROFIT FOR THE YEAR (V-VI)		**5,823.34**	**5,337.10**
VIII) Profit before tax for the period from continuing operations		**8,675.04**	**7,406.84**
IX) Tax expense of continuing operations		2,607.94	2,292.85
X) Profit for the period from continuing operations (VII-IX)		**6,067.10**	**5,113.99**
XI) Profit/ (Loss) before tax for the period from discontinuing operations		**(243.76)**	**317.24**
XII) Tax expense of discontinuing operations		-	94.13
XIII) Profit for the period from discontinuing operations (XI-XII)		**(243.76)**	**223.11**
XIV) PROFIT FOR THE YEAR (X-XIII)		**5,823.34**	**5,337.10**
XV) OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurements of defined benefit plans		187.70	(55.79)
b) Income tax relating to items that will not be reclassified to profit or loss		(55.90)	16.25
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (a+b)		131.80	(39.54)
XVI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,955.14**	**5,297.56**
XVII) A. Profit attributable to:			
Owners of the parent		5,816.85	5,232.02
Non-controling interest		6.49	105.08
XVII) B. Other comprehensive income attributable to:			
Owners of the parent		131.80	(39.54)
Non-controling interest		-	-
XVII) C. Total comprehensive income for the year attributable to:			
Owners of the parent		5,948.65	5,192.48
Non-controling interest		6.49	105.08
XVIII) EARNINGS PER EQUITY SHARE	28 (a)		
a. From continuing operations			
Basic		44.44	39.41
Diluted		44.44	39.41
b. From discontinuing operations			
Basic		(1.79)	1.72
Diluted		(1.79)	1.72

Significant accounting policies 1

Accompanying notes are an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

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

Mr. Himanshu Patel
Managing Director
(DIN-00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

N. Kashinath
Partner
Membership No. 036490

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Maroli Udyognagar, Dated May 23, 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

(Rs. in Lakhs)

SHARE CAPITAL	As at 31st March 2022		As at 31st March 2021	
	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	1,36,53,096	1,365.31	1,30,75,480	1,307.55
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,30,75,480	1,307.55	1,29,31,076	1,293.11
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	1,30,75,480	1,307.55	1,29,31,076	1,293.11
Changes in equity share capital during the current year #	5,77,616	57.76	1,44,404	14.44
Balance at the end of the reporting year	**1,36,53,096**	**1,365.31**	**1,30,75,480**	**1,307.55**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

A resolution was passed on May 5th, 2021 by the Special Purpose Working Committee created by the Board of Directors for the conversion of 3,85,161 Series A Warrants issued and allotted to Malabar India Fund Limited, a Category I Foreign Portfolio Investor registered with SEBI and Malabar Value Fund -Alternative Investment Fund in the form of a Trust, Registered with the Securities and Exchange Board of India under Category III on Preferential Basis into equal number of Equity Shares of the Company.

Further, a resolution was passed on September 23rd , 2021 by the Special Purpose Working Committee created by the Board of Directors for the conversion of 1,92,455 Series B Warrants issued and allotted to Malabar India Fund Limited, a Category I Foreign Portfolio Investor registered with SEBI on Preferential Basis into equal number of Equity Shares of the Company.

The company has declared interim/final dividend aggregating to Rs. 538.43 lakhs (Rs. 4 per share) during the FY 2021-22 [Previous year Rs.323.28 lakhs (Rs. 2.5 per share)]

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are as follows :

Name of the shareholder	As at 31st March 2022		As at 31st March 2021	
	No.	%	No.	%
Himanshu Khushalbhai Patel	35,95,707	26.34%	35,95,707	27.50%
Nilesh Khushalbhai Patel	36,39,127	26.65%	36,39,127	27.83%
Harsh Himanshu Patel	18,59,580	13.62%	18,59,580	14.22%

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

The details of the shares held by promoters as at March 31, 2022 are as follows :

The details of the shares held by promoters as at March 31, 2022 are as follows :	As at 31st March 2022			As at 31st March 2021		
	No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
Promoter						
Himanshu Khushalbhai Patel	35,95,707	26.34%	-	35,95,707	27.50%	-
Nilesh Khushalbhai Patel	36,39,127	26.65%	-	36,39,127	27.83%	-
Harsh Himanshu Patel	18,59,580	13.62%	-	18,59,580	14.22%	-
Aalap Nilesh Patel	1,88,833	1.38%	-	1,88,833	1.44%	-
Promoter Group						
Priti Himanshubhai Patel	9,270	0.07%	-	9,270	0.07%	-
Kishoriben Nilesh Patel	16,222	0.12%	-	16,222	0.12%	-
Swara Rajeev Patel	2,92,005	2.14%	-	2,92,005	2.23%	-
	96,00,744	70.32%		96,00,744	73.43%	

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

OTHER EQUITY

(Rs. in Lakhs)

Particulars	Reserves and Surplus						Equity Component of Compound Financial Instrument	Preference Share Capital	Money received against share warrants	Foreign currency translation reserve	Total Other Equity	Share of Non controlling Interest
	Securities premium	General reserve	Capital reserve	Retained earnings	Remeasure ments of defined benefit plans	Capital redemption reserve						
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		-	6,307.81	136.53
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
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					-	
Other adjustment							37.50	(37.50)			-	
Contributions towards change in profit sharing ratio/call option assets				(2,785.00)							(2,785.00)	
Tax on contributions made for change in profit sharing ratio				(181.06)							(181.06)	
Profit for the current reporting year ending 31 March 2021	-	-	-	5,232.02	-		-	-			5,232.02	105.08
Other comprehensive income (Net of tax)	-	-	-		(39.54)		-	-			(39.54)	-
Total Comprehensive Income for the Reporting year	**1,950.54**	**-**	**-**	**2,228.46**	**(39.54)**	**37.50**	**37.50**	**(37.50)**	**2,000.00**	**-**	**6,176.96**	**105.08**
Transactions with owners in their capacity as owners:												
Dividends ;												
-Final dividend (Rs.2.5 per share)	-	-	-	(323.28)	-		-	-			(323.28)	-
Transfer to general reserve	-	2,000.00	-	(2,000.00)	-		-	-			-	-
Transfer during the year	-	-	-	-	-		-	-			-	(229.77)
Balance at the end of the reporting year ending 31 Mar 2021	**1,950.54**	**3,540.05**	**1.52**	**3,362.74**	**(14.91)**	**37.50**	**1,134.03**	**150.02**	**2,000.00**	**-**	**12,161.49**	**11.84**
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Received during the period	7,942.21								(2,000.00)		5,942.21	-
Transfer to capital redemption reserve	-			(37.50)		37.50					-	
Other adjustment							37.50	(37.50)			-	
Tax on contributions made for change in Profit sharing ratio				(90.52)							(90.52)	
Profit for the current reporting year ending 31 March 2022	-	-	-	5,816.85	-		-	-			5,816.85	6.49
Other comprehensive income (Net of tax)	-	-	-		131.80		-	-			131.80	-
Foreign currency translation reserve										(185.62)	(185.62)	
Impact on acquistion of Thaletec GmbH				716.64	33.11						749.75	
Total comprehensive Income for the reporting year	**7,942.21**	**-**	**-**	**6,405.47**	**164.91**	**37.50**	**37.50**	**(37.50)**	**(2,000.00)**	**(185.62)**	**12,364.47**	**6.49**
Transactions with owners in their capacity as owners:												
Dividends												
-Final dividend (Rs.4 per share)	-	-	-	(538.43)	-		-	-			(538.43)	-
Transfer to general reserve	-	2,000.00	-	(2,000.00)	-		-	-			-	-
Transfer during the year	-	-	-	-	-		-	-			-	(9.93)
Balance at the end of the reporting year ending 31st March 2022	**9,892.75**	**5,540.05**	**1.52**	**7,229.78**	**150.00**	**75.00**	**1,171.53**	**112.52**	**-**	**(185.62)**	**23,987.53**	**8.40**

Consolidated Statement of Changes In Equity

for the year ended 31st March 2022

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.
Capital Redemption Reserve	Capital Redemption Reserve is created by the company for redemption of preference share from its profits.
Money received against share warrants	Money against share warrant represents amount received against share warrants pending equity allotment.

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

Mr. Himanshu Patel
Managing Director
(DIN-00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Consolidated Statement of Cash Flow

for the year ended 31st March 202

(Rs. in Lakhs)

	Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**9,342.70**		**7,724.08**
	Adjustment for :				
	Depreciation	1,122.58		860.99	
	Finance Cost (Including fair value change in financial instruments)	1,311.10		973.69	
	Foreign currency unrealised gain/loss (Net)	(118.54)		-	
	Expected credit loss	10.00		7.19	
	Interest income	(59.51)		(56.51)	
	Dividend income	(0.01)		(0.01)	
	Deffered income	(65.95)		(14.47)	
	Bad debts written off	0.32		15.36	
	Remeasurements of defined benefit plans	187.70		(55.79)	
	Net gains sale on financal assets	(110.82)		(2.59)	
	Sundry advance written back	(30.83)		(21.46)	
	Loss / (Gain) on Sale / Disposal of fixed assets	9.61	2,255.65	178.48	1,884.88
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**11,598.35**		**9,608.96**
	Trade receivables	(4,413.24)		(2,431.58)	
	Other current assets	(1,252.38)		(3,000.22)	
	Other financial assets	(15.06)		378.53	
	Loans and advances	1.83		10.71	
	Inventories	(5,937.85)		556.41	
	Trade payable	5,431.43		(409.06)	
	Provisions	19.58		109.60	
	Other non current financial liabilities	(349.22)		(2,900.79)	
	Other current financial liabilities	393.13		43.28	
	Other liabilities	(1,103.79)	(7,225.57)	4,978.50	(2,664.62)
	CASH GENERATED FROM OPERATIONS		4,372.78		6,944.34
	Direct taxes paid		(3,342.78)		(2,120.68)
	NET CASH FROM OPERATING ACTIVITIES		**1,030.00**		**4,823.66**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets including capital work in progress and capital advance	(6,937.84)		(3,221.37)	
	Proceeds from sale of fixed aseets	118.62		347.77	
	Investment in subsidiary	(11,261.67)		-	
	Fixed deposits with banks	611.73		(138.61)	
	Purchase of current investment	(6,000.00)		(2,376.00)	
	Proceeds of current investments	6,110.82		2,377.59	
	Interest income	60.71		92.70	
	Dividend income	0.01		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		**(17,297.62)**		**(2,917.91)**
	CASH FLOW FROM FINANCING ACTIVITIES				

Consolidated Statement of Cash Flow

for the year ended 31st March 202

(Rs. in Lakhs)

	Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
C.	(Repayments) / Proceeds from working capital facilities (Net)	2,970.43		(781.84)	
	Proceeds from long-term borrowings	9,801.98		41.67	
	Proceeds from Issue of Share capital/Share Warrants	6,083.18		3,999.99	
	Proceeds/(Repayments) from / of term loans	(1,180.22)		555.96	
	Redemption of Preference share	(747.74)		(747.74)	
	Net movement in capital/equity	(262.90)		(2,799.85)	
	Interest paid	(1,080.48)		(704.54)	
	Dividend Paid	(538.43)		(323.28)	
	Withdrawl by Non controlling interest	9.93		(229.78)	
	NET CASH FROM FINANCING ACTIVITIES		15,055.75		(989.41)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,211.87)		916.34
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		1,049.22		132.88
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR ON THE ACQUISITION OF SUBSIDIARY		2,655.63		-
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**2,492.98**		**1,049.22**

Notes to Cash Flow Statement:

1. The above cash flow statement has been prepared under the indirect method.
2. Reconciliation of Financing Liabilties.

	As at 31st March 2022"	As at 31st March 2021
Opening balance	**9,323.64**	**10,001.47**
Cash inflow/ (outflow) of non-current borrowings	**7,463.64**	**104.03**
Cash inflow /(outflow) of current borrowings	3,921.78	(781.86)
Closing Balance	**20,709.06**	**9,323.64**

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

Mr. Himanshu Patel
Managing Director
(DIN-00202312)

Mr. Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 1 - Significant Accounting Policies under Ind AS

A) General Information

HLE Glascoat Limited [the 'Company'] is a limited company, incorporated on 26th August, 1991 in India, whose shares are publicly traded.

The Holding Company and its subsidiaries (collectively the 'Group') has presence in the western part of India & Europe and are engaged, inter alia, in the following businesses:

(i) Glass Lined Equipment - Manufacturing of Carbon Steel Glass Lined Equipment viz. reactors, receivers, storage tanks, columns, agitators, valves, pipes and fittings and other similar equipment and related spares and accessories.

(ii) Filtration, drying and other Equipment – Manufacturing of Agitated Nutsche Filters-Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.

(iii) Chemical - Manufacturing of organic chemicals.

The Registered Office of Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Filtration, drying and other Equipment division and the Chemical division is located at Maroli Udyog Nagar, Village Nadod, Taluka Jalalpor, District Navsari, Gujarat. The company also has Filtration, drying and other Equipment division located at Survey no 183/P1, Village Narloi, Silvassa, Dadra & Nagar Haveli -396230. The Indian subsidiary M/s HL Equipments is situated at Survey No. 144/1/1, Plot No. 15, Athal Industrial Estate, Village - Athal, Silvassa - 396 230. The foreign subsidiary M/s Thaletec GmbH is a limited liability company incorporated under the laws of Germany with its registered office at Steinbachstrasse 3 in 06502 Thale, Germany.

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 Company consolidates all the entities which are controlled by it. The 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 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 consolidation. Changes in the 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 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 Company.

The Company has invested in the following subsidiaries and the Company's respective ownership interest as at 31st March 2022 is as follows:

Subsidiary companies

- H L Equipments - Partnership Firm - 99%
- Thaletec GmbH -Limited Liability Company - 100% (w.e.f. 17th December '2021)

Step-down subsidiary company

- Thaletec Inc. - USA (w.e.f. 17th December 2021)

The foreign subsidiaries follow calendar year as a fiscal year. For cosolidation purpose foreign subsidiary books of account are converted from IFRS (International Financial Reporting Standards) to Indian Accounting Standards (Ind AS).

iii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of The Companies Act 2013, except for the

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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. 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.

a) Certain financial assets/liabilities measured at fair value (refer Note 27A) and

b) Any other item as specifically stated in the accounting policy.

The Financial Statement is presented in Indian Rupee ("INR") and all values are rounded off to Rupees Lakhs unless otherwise stated.

The Group reclassifies comparative amounts, unless impracticable and whenever the Group changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

The Consolidated financial statements of the Group for the year ended 31st March, 2022 were authorised for issue in accordance with a resolution of the directors on 23rd May, 2022.

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.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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 28(b))

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.

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.

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables:

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

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. 14 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

Notes to the Consolidated Financial Statements

as at 31st March, 2022

which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than One year and having value of Rs. 50,000 or more individually are capitalized and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date when the asset is derecognised.

Description of the Asset	Estimated Useful life
Tangible:	
Building – Factory	10 to 30 Years
Plant and Equipment	3 to 25 Years
Furniture and Fixtures	10 Years
Computers and Computer Servers	3 to 6 Years
Office Equipment	1 to 10 Years
Other Assets, viz., Electrical Fittings and Air conditioners	5 to 10 Years
Windmills	22 Years
Vehicles	8 to 10 Years
Right of use assets:	
-Land	Primary period of lease
-Operating and Office Equipment's	3 to 10 Years
Intangible:	
Software	5 Years
Technical Know How	10 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates. Depreciation on all assets is provided on straight line basis. Plant and Machinery, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) **Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) and Technical Know How acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3) **Impairment of tangible (PPE) and intangible assets:**

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets

Notes to the Consolidated Financial Statements

as at 31st March, 2022

have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

4) **Inventories:**

Inventories consisting of stores and spares, raw materials, Work in progress and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Cost of raw material, components and stores and spares is determined on a first in first out basis for Glass Lined Equipment division and on a weighted average method for Filtration, drying & other Equipment, Chemical divisions and its foreign subsidiary.

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 and operating & office equipment. 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.

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

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

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

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

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

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

6) Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

7) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all yearsof 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.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Contingent Assets are not recognised, however, disclosed in financial statement when inflow of economic benefits is probable.

8) Foreign Currency Translation:

The financial statements of Group are presented in INR, which is also the functional currency.

(i) Foreign Currency transactions and balances:

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Consolidated Balance Sheet date and the resultant exchange gains or losses are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items, which are carried in terms of historical cost, denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Consolidated Statement of Profit and Loss within finance cost. Exchange differences arising from the translation of equity investments at Fair value through other comprehensive income ('FVTOCI') are recognised in OCI. All other foreign exchange gains and losses are presented on a net basis within other income or other expense.

(ii) Foreign Operations:

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Consolidated Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation is held in foreign currency translation reserve ('FCTR'), a component of Equity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in the Consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the Consolidated Statement of Profit and Loss.

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 Group 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 Group. 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)

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Organic chemicals.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

The foreign subsidiary primarily generates revenues from customer-specific construction contracts. Such contracts are entered into before construction of the equipment begins. Under the terms of the contracts, the Company has an enforceable right to payment for work done. The constructed equipment does not have any alternative use for the company. And is accordingly recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (Percentage of Completion).

Revenue from sale of services is recognised when the activity is performed.

The foreign subsidiary derives its revenue also to a lesser extent from services and goods transferred at a point of time (e.g, sale of spare parts). Revenue relating to services and goods transferred at a point of time is recognized at the point of time at which it has satisfied its performance obligation and has a present right to payment for the services.

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.

Sale of Scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

13) Other Income:

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Interest Income:

Interest Income is recognized on a time-proportion basis.

14) Borrowing costs:

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

15) 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, retirement, pension, and others benefits; and

ii) Defined contributions plan such as provident fund.

d) Defined benefits Plans:

The cost of providing benefits under defined benefits plans 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

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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 are recognised as an expense when employees have rendered the service entitling them to the contribution.

16) 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 of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

17) 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.

18) 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.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

c) **Deferred tax assets and liabilities are classified as non-current assets and liabilities.**

19) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

20) 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 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:

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require

Notes to the Consolidated Financial Statements

as at 31st March, 2022

the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

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

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b) 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,

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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.

21) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to Ind AS which are applicable on 1st April 2022.

i) Ind AS 16 – Property, Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss.

The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 2 (a) : Property, plant and equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant and equipment	Windmill	Tools and Equipments	Electric Installation and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross Block											
Carrying value as at 31 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 31 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**
Additions	35.12	1,975.99	1,987.89	-	137.75	77.00	37.07	68.80	75.06	62.35	4,457.03
On acquisition	363.52	6,572.83	2,241.97						2,115.66		11,293.98
Disposals	-	(24.17)	(119.61)	-	-	(2.32)	-	(0.59)	(0.69)	(4.03)	(151.41)
Carrying value as at 31 March 2022	**2,092.20**	**12,152.85**	**9,416.51**	**536.91**	**556.27**	**495.22**	**234.52**	**608.70**	**2,358.36**	**196.22**	**28,647.76**
Depreciation Block											
Accumulated depreciation / Amortisation as at the 31 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)		(541.52)
Accumulated depreciation / Amortisation as at the 31 March 2021	-	**471.48**	**646.40**	**275.05**	**128.74**	**133.17**	**69.87**	**271.52**	**97.96**	**93.23**	**2,187.42**
Depreciation / Amortisation for the year	-	136.95	474.95	14.18	60.12	45.43	20.18	58.28	103.52	26.30	939.91
On acquisition		68.44	1,272.34						1,370.97		2,711.75
Disposals	-	(0.39)	(19.30)	-	-	(0.03)	-	(0.35)	(0.66)	(3.93)	(24.66)
Accumulated depreciation / Amortisation as at the 31 March 2022	-	**676.48**	**2,374.39**	**289.23**	**188.86**	**178.57**	**90.05**	**329.45**	**1,571.79**	**115.60**	**5,814.42**
Net Block											
As at 31 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**
As at 31 March 2022	**2,092.20**	**11,476.37**	**7,042.12**	**247.68**	**367.41**	**316.65**	**144.47**	**279.25**	**786.57**	**80.62**	**22,833.32**

Note:

1. The amount of borrowing cost capitalised during the year ended 31st March 2022- Rs. 50.41 lakhs (Previous Year Rs. 42.48 lakhs)
2. The title deeds of freehold land are held in the name of the company. Title Deeds in respect of buildings on immoveable property which are constructed on company's freehold/leasehold land is based on documents and constituting evidence of legal ownership.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 2 (b) : Right of use asset

(Rs. in Lakhs)

Particulars	Land	operating and office equipment	Total
Gross Block			
Carrying value as at 31 March 2020	**43.42**	**-**	**43.42**
Additions	600.98		600.98
Disposals			-
Carrying value as at 31 March 2021	**644.40**	**-**	**644.40**
Additions	269.62	46.10	315.72
On acquisition		498.51	498.51
Disposals		(22.30)	(22.30)
Carrying value as at 31 March 2022	**914.02**	**522.31**	**1,436.33**
Depreciation Block			-
Accumulated depreciation / Amortisation as at 31 March 2020	**0.60**	**-**	**0.60**
Depreciation / Amortisation for the year	31.56		31.56
Disposals			-
Accumulated depreciation / Amortisation as at 31 March 2021	**32.16**	**-**	**32.16**
Depreciation / Amortisation for the year	47.19	49.45	96.64
On acquisition		221.65	221.65
Disposals		(22.30)	(22.30)
Accumulated depreciation / Amortisation as at 31 March 2022	**79.35**	**248.80**	**328.15**
Net Block			
As at 31 March 2021	**612.24**	**-**	**612.24**
As at 31 March 2022	**834.67**	**273.51**	**1,108.18**

Note 2 (c) : Capital work-in-progress

Particulars	Total
As at 31 March 2021	**312.41**
As at 31 March 2022	**3,115.41**

Capital work-in-progress ageing schedule

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	125.38	2,990.03			3,115.41
	(312.41)				**(312.41)**
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note - (i) Previous year's figures in brackets
(ii) There were no material projects which have exceeded their original planned cost and timelines.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 2 (d) : Investment property

(Rs. in Lakhs)

Particulars	Buildings
Gross Block	
Carrying value as at 31 March 2021	153.17
Additions	-
Disposals	
Carrying value as at 31 March 2022	153.17
Depreciation Block	
Accumulated depreciation / Amortisation as at 31 March 2020	1.45
Depreciation / Amortisation for the year	4.85
Disposals	
Accumulated depreciation / Amortisation as at 31 March 2021	6.30
Depreciation / Amortisation for the year	4.85
Disposals	
Accumulated depreciation / Amortisation as at 31 March 2022	11.15
Net Block	
As at 31 March 2021	146.87
As at 31 March 2022	142.02

Note 2 (e) : Other intangible assets

Particulars	Computer Software	Technical Know How	Total
Gross Block			
Carrying value as at 31 March 2020	**97.49**	**585.50**	**682.99**
Additions	5.46	-	5.46
Disposals			-
Carrying value as at 31 March 2021	**102.95**	**585.50**	**688.45**
Additions	40.50	-	40.50
On acquisition	177.34		177.34
Disposals	-	-	-
Carrying value as at 31 March 2022	**320.79**	**585.50**	**906.29**
Depreciation Block			
Accumulated depreciation / Amortisation as at 31 March 2020	**47.58**	**188.47**	**236.05**
Depreciation / Amortisation for the year	16.12	56.73	72.85
Disposals			-
Accumulated depreciation / Amortisation as at 31 March 2021	**63.70**	**245.20**	**308.90**
Depreciation / Amortisation for the year	24.44	56.74	81.18
On acquisition	140.85		140.85
Disposals			-
Accumulated depreciation / Amortisation as at 31 March 2022	**228.99**	**301.94**	**530.93**
Net Block			
As at 31 March 2021	**39.25**	**340.30**	**379.55**
As at 31 March 2022	**91.80**	**283.56**	**375.36**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 3

Other Financial Assets at amortised cost (Secured, considered good)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Security deposits	67.12	67.29	3.21	3.34
Bank deposits with more than 12 months maturity	12.02	6.20	-	-
Others:				
Interest accrued on loans and deposits	-	-	15.96	25.77
Income receivable	-	-	31.62	2.81
Goods & Service Tax / Electricity duty refund receivable	-	-	142.71	-
IT refund receivable	-	-	-	128.92
Export benefit receivable (Duty drawback)	-	-	54.03	49.26
Total	**79.14**	**73.49**	**247.53**	**210.10**

Note 4

Other Assets (Unsecured, considered good)

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Capital advances	188.16	423.65	-	-
Advances to employees	-	-	1.20	0.32
Advances to suppliers	-	-	689.37	437.26
Considered doubtful	-	-	8.69	-
Less:-Provision for doubtful advances	-	-	(8.69)	-
	-	-	689.37	437.26
Sub Total	**188.16**	**423.65**	**690.57**	**437.58**
Others				
Balance with govt. authorities	-	-	1,194.79	238.94
Balance with govt. authorities (considered doubtful)	-	-	9.44	9.44
Less:-Provision for doubtful advances	-	-	(9.44)	(9.44)
Prepaid expenses	0.19	0.19	197.78	75.29
Others	-	-	34.10	-
Sub Total	**0.19**	**0.19**	**1,426.67**	**314.23**
Total	**188.35**	**423.84**	**2,117.24**	**751.81**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 5

Deferred Tax Assets - (Net)

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Asset:		
- Arising on account of difference in carrying amount and tax base of PPE , intangibles and others	17.61	-
Pension provisions	173.42	-
Other current and non-current provisions	47.16	-
Other items	8.51	-
Deferred Tax Liabilities		
Contract assets / contract liabilities	(199.01)	-
Trade receivables	(8.98)	-
Total	**38.71**	-

Note 6

Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	13,388.21	5,714.69
Work-in-progress	11,010.73	7,250.23
Finished goods	1,410.52	1,163.18
Stores and spares	993.67	636.08
Total	**26,803.13**	**14,764.18**

Note 7

Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables		
Unsecured, considered good #	14,799.48	6,918.02
Credit impaired	40.38	24.14
Less: Impairment provision on expected credit loss model	(40.38)	(24.14)
Total	**14,799.48**	**6,918.02**

of the above, trade receivable due from related party Rs. 852.29 (Previous Year Rs. 991.16 lakhs) (refer note no. 28 c)

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.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Trade Receivables ageing schedule

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
Undisputed – considered good	6,618.24	5,857.13	1,921.71	329.53	72.87	14,799.48
	(2,840.45)	**(3,165.17)**	**(455.49)**	**(411.56)**	**(45.35)**	**(6,918.02)**
Undisputed - considered significant increase in credit risk	-	10.85	0.32	12.03	17.18	40.38
	-	**(2.07)**	**(0.36)**	**(6.56)**	**(15.15)**	**(24.14)**
Less - Allowance for expected credit loss	-	10.85	0.32	12.03	17.18	40.38
	-	(2.07)	(0.36)	(6.56)	(15.15)	(24.14)
Total	6,618.24	5,857.13	1,921.71	329.53	72.87	14,799.48
	(2,840.45)	**(3,165.17)**	**(455.49)**	**(411.56)**	**(45.35)**	**(6,918.02)**

Note - Previous year's figures in brackets

Note 8
Cash and cash equivalents (As per cash flow statement)

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks (of the nature of cash and cash equivalents)	2,490.53	1,047.58
Cash on hand	2.45	1.64
Total	**2,492.98**	**1,049.22**

Note 9
Bank balances other than cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Margin money deposits with bank (Under lien)	1,335.17	907.62
Others:	-	-
Unclaimed dividend account	110.06	95.07
Total	**1,445.23**	**1,002.69**

Note 10
Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Loans to employees	17.27	20.71
Total	**17.27**	**20.71**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 11

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
NON CURRENT		
Secured		
Term loans;		
- from banks and financial institution	11,690.48	3,702.97
Interest accrued on term loan	45.33	23.25
Preference share liability (At amortised cost)		
18,75,152 9.50% reedemable preference shares of Rs. 6 each (Previous year Rs. 8 each)	1,246.42	1,792.37
Sub - Total	**12,982.23**	**5,518.59**
CURRENT		
Secured		
Current maturities of long-term debt	2,390.63	1,649.72
Loans repayable on demand		
- from banks and financial institution	5,186.20	1,980.33
Unsecured		
Inter corporate loan (Refer note no.28 c)	150.00	-
From others	-	175.00
Sub - Total	**7,726.83**	**3,805.05**
Total	**20,709.06**	**9,323.64**

Non-Current Borrowings

1) Term loan from Bajaj Finance Limited is secured by hypothecation of specific immovable property owned by the Promoters. The Term Loan is repayable in 84 quarterly instalments commencing from November, 2017 and carries an interest rate of 10.25% p.a. (March 31, 2021: 10.75% p.a.) payable on monthly basis.

2) Term Loan from HDFC Bank Limited is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. The Term Loan is Repayable in 72 months equal instalment (including 12 months moratorium) beginning from September, 2022 and carries an interest rate of 7.95% p.a. (March 31, 2021: Nil)

3) Term loan from Citibank N.A. is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayment in 16 equal quarterly instalment beginning from April, 2022 and carries an interest rate of 8.25% p.a. (March 31, 2021: 8.25% p.a)

4) Term loan from Citibank N.A. is secured by first pari passu charge on present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayment in 16 equal quarterly instalments starting from March, 2023 and carries an interest rate of 2.50% p.a. (March 31, 2021: Nil).

5) Term loan from State Bank of India is secured by first pari passu charge over on present and future movable and immovable fixed

Notes to the Consolidated Financial Statements

as at 31st March, 2022

assets of the Company and second pari passu charge on the entire present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company. Repayable in 78 and 48 monthly installments beginning October, 2019 and October, 2020 respectively. Interest of 9.80%/ 10.05% p.a. (March 31, 2021: 9.80%/ 10.05%) respectively.

6) **Debt owed by Thaletec GmbH:**
Term loan from Commerzbank AG is secured by a global assignment of particular trade accounts receivable, the transfer of technical machinery by way of security and by a first-rank land charge of KEUR 1.000. The rate of interest is 2.5 % [March 31, 2021: Nil]

7) Vehicle loans availed from HDFC Bank are secured by hypothecation of respective vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. Interest is payable on monthly basis at 6.25% p.a to 10% p.a. (March 31, 2021: 6.25% p.a to 10% p.a.)

8) Vehicle loans taken from financial institution are secured by hypothecation of respective vehicles taken on loan. Each loan is repayable in equal monthly instalments from the month subsequent to the disbursement of the loan. The interest is payable on monthly basis at 11.05% p.a. [March 31, 2021: 11.05% p.a.]

Current Borrowings

1) Working capital facilities including packing credit and foreign bill discounting from HDFC Bank Limited are secured by first pari passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of interest for cash credit is 7.9% p.a. [March 31, 2021: 9.55% p.a.] and for other facilities is LIBOR plus 250 bps [March 31, 2021: LIBOR plus 250 bps].

2) Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured first pari passu charge on the present and future current assets viz. stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2021: 9.25% p.a.]

3) Working capital loan facilities including packing credit and foreign bill discounting from State Bank of India are secured by secured first pari passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of Interest for cash credit is 7.95% p.a. [March 31, 2021: 9.05% p.a.]

4) The unsecured loans from directors and relatives are carrying an interest @ 9% p.a., [March 31, 2021: 9% p.a.] re-payable on demand.

5) Debt owed by H.L Equipment:
Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured first pari passu charge on the present and future current assets viz. Stocks of raw material, stock in process, finished goods, consumable stores and spares and book debts of the Company and second pari passu charge on the present and future movable and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2021: 9.25% p.a.]

6) The monthly/ quarterly statements of stock and book debts filed by the Company with the banks are in agreement with the books of accounts and there are no material discrepancies.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

List of immovable fixed assets of the Company as under:

1. Plot No A/6, R.S. No 153, New Block No 140, Maroli to Ubhrat Road Village Nanod Maroli Navsari.
2. Plot No 200, Village Nadod Navsari, Block B-3, Navsari.
3. Block No. 200 Paiky, Plot No.B/1/4, Maroli To Ubhrat Road, Village Nanod, Maroli, Talika and District Navsari.
4. Survey No-183/P1, Village Naroli, Silvassa.
5. Plot No. H 106, R S No.1425/P,1435/P,1431/P,1416/P and 1424/P, Vitthal Udyognagar Industrial Area, Village Mogri, Taluka Anand, District Kheda.
6. Plot No. I 107, 107/A and I-105, Revenue Survey No.808/P,809/P,811/P, R S No.426/P,1427/P,1428/P,1429/P and 1430/P, At. Mogri, Taluka Anand, District Kheda.

Note 12

(Rs. in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Interest accrued	-	-	-	14.65
Unclaimed dividends	-	-	110.06	95.07
Others :				
Security deposit	0.90	1.90	1.67	2.05
Employee related payable	437.47	-	392.21	396.74
Capital creditors retention money	-	-	81.88	-
Capital creditors	-	-	496.37	292.64
Total	**438.37**	**1.90**	**1,082.19**	**801.15**

Note 13

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Contract liability (Advance from customers)	-	-	9,174.83	4,778.86
Other advances	-	-	-	-
Statutory dues	-	-	492.09	289.95
Liabilities for expenses	-	-	356.47	180.06
Unamortised govt. grant	13.41	-	-	-
Other	-	-	236.44	-
Total	**13.41**	**-**	**10,259.83**	**5,248.87**

During the year ended 31st March, 2022, the company has recognised revenue of Rs. 4,631.42 lakhs (Previous Year Rs. 6,086.39 lakhs) arising from opening unearned revenue (contract liabilities).

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Movement of contract liabilities is as under:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
As at beginning of the year	4,778.86	6,391.50
Recognised as revenue from contracts with customers	4,631.42	6,086.39
Advance returned back to customer	2.56	7.59
Advance from customers received during the year	9,029.96	4,481.34
Balance at the close of the year	**9,174.83**	4,778.86

Note 14

Particulars	Non-Current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits				
Gratuity	-	-	114.49	160.06
Leave benefits	54.68	44.98	39.20	24.21
Partial retirement	283.00	-	-	-
Other benefits	76.00	-	-	-
Pension	778.31	-	-	-
Provision for unexpired warranty	173.80	-	266.98	80.77
Other	615.95	-	432.01	-
Total	**1,981.74**	**44.98**	**852.68**	**265.04**

Movement of Provision for unexpired warranty

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	80.77	39.47
Add: Additional provision made during the year	157.83	57.64
Add: On acquisition	317.57	-
Less: Provision amount used during the year	115.39	16.34
Closing balance	**440.78**	80.77

Movement of Provision for employee benefits

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	229.25	152.52
Add: Additional provision made during the year	103.90	149.59
Add: On acquisition	1,107.50	-
Less: Provision amount used during the year	94.97	72.86
Closing balance	**1,345.68**	229.25

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 15

Deferred Tax Liabilities - (Net)

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Liabilities (Net):		
- Arising on account of difference in carrying amount and tax base of PPE , intangibles and others	1,192.55	1,174.93
Deferred Tax Asset:		
Accrued expenses allowable on actual payment	(11.37)	(32.93)
MAT credit	(808.86)	(808.86)
Total	**372.32**	**333.14**

Note 16

Trade Payables

(Rs. in Lakhs)

Particulars	Current	
	As at 31st March 2022	As at 31st March 2021
Outstanding dues of micro enterprises and small enterprises	330.54	567.05
Outstanding dues of creditors other than micro enterprises and small enterprises	12,883.62	6,646.90
Total	**13,214.16**	**7,213.95**
Of the above;		
- Acceptances	3,846.87	1,112.78
- Payable to related party Rs. 0.31 Lakhs (Previous Year Rs. 11.37 Lakhs) (Refer Note 28 c)		

Trade Payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	330.54	-	-	-	-	330.54
	(567.05)					**(567.05)**
(ii) Others	6,500.58	6,365.85	10.81	6.38	-	12,883.62
	(2,875.24)	**(3,695.05)**	**(69.19)**	**(7.42)**		**(6,646.90)**
(iii) Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	6,831.12	6,365.85	10.81	6.38	-	13,214.16
	(3,442.29)	**(3,695.05)**	**(69.19)**	**(7.42)**	-	**(7,213.95)**

Note - Previous Year's figures in brackets

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 17

Revenue from operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations		
Sale of goods	63,694.00	47,392.23
Sale of services	935.02	749.12
Other operating revenues:		
- Scrap sales	557.75	290.65
- Miscellaneous	35.05	16.93
Total	**65,221.82**	**48,448.93**

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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Gross sales (Contracted price)	63,702.10	47,416.10
Reductions towards variable consideration (Discounts & delayed delivery charges)	8.10	23.87
Revenue recognised	**63,694.00**	**47,392.23**

Note 18

Other income

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest income	38.68	56.74
Rent income	84.00	58.00
Dividend income (on long term investment treated as deposits)	0.01	0.01
Export incentives	72.44	102.02
Net gains sale of investments	110.82	2.59
Net gain on foreign currency transaction	144.44	-
Gain on sale of property, plant and equipment	26.33	31.51
Deferred income	64.11	14.47
Cessation of liability	16.60	21.24
Insurance claim	7.38	-
Sundry balance written back	14.11	-
Income from windmill	126.63	86.91
Miscellaneous income	98.01	19.83
Total	**803.56**	**393.32**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Note 19

Cost of materials consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock of raw materials	7,849.50	5,951.35
Purchases during the year	35,336.55	22,805.15
Closing stock of raw materials	(9,278.50)	(5,714.69)
Total	**33,907.55**	**23,041.81**

Note 20

Changes in inventories of finished goods and work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Closing stock:		
Finished goods	1,410.52	1,163.18
Work-in-progress	11,010.73	7,250.23
	12,421.25	**8,413.41**
Less: Opening stock:		
Finished goods	1,163.17	1,488.26
Work-in-progress	7,250.23	7,563.33
On acquisition	1,959.85	-
	10,373.25	**9,051.59**
Total	**(2,048.00)**	**638.18**

Note 21

Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages	6,287.20	3,297.23
Contribution to provident, gratuity and other funds	168.98	153.13
Staff welfare expenses	270.63	185.40
Total	**6,726.81**	**3,635.76**

Note 22

Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest on loans	627.74	389.40
Interest on working capital facilities	356.75	195.16
Interest - others	14.29	7.53
Interest on unsecured loan	58.10	57.59
Other	-	25.61

Notes to the Consolidated Financial Statements
as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest cost - partner's capital	0.68	0.38
Dividend on redeemable preference share	11.56	15.14
Other borrowing costs:		
Unwinding of discount relating to long term liabilities	241.98	282.89
Total	**1,311.10**	**973.70**

Note 23
Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of property, plant and equipment	939.91	751.73
Depreciation of investment property	4.85	4.85
Amortisation of right- of -use assets	96.64	31.56
Amortisation of intangible assets	81.18	72.85
Total	**1,122.58**	**860.99**

Note 24
Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Stores and spares consumed	2,487.04	1,973.10
Power and fuel	2,723.79	1,745.19
Processing expenses	5,709.98	4,452.23
Rent	107.94	26.60
Rates and taxes	75.59	274.09
Insurance expenses	161.73	91.05
Printing and stationery	44.53	31.16
Repairs and renewals:		
Buildings	150.97	151.55
Plant and machinery	439.29	273.43
Other assets	17.50	23.02
Travelling and conveyance	205.92	109.49
Communication expenses	74.58	40.82
Vehicle expenses	70.92	79.64
Director's sitting fee	5.10	3.90
Director's travelling	5.41	5.77
Sales promtotion expenses	29.93	7.00
Bad debts written-off	0.32	15.36
Donation	0.85	1.52
Corporate social responsibility expense	110.75	59.35
Security expenses	82.87	72.34
Commission	467.51	408.88

Notes to the Consolidated Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Freight and forwarding (Net)	1,186.13	835.43
Drawings and installation charges	-	75.93
Partners' remuneration	18.00	18.00
Laboratory expense	27.98	26.53
Packing expenses	34.49	21.27
Pollution control exp	81.05	90.67
Expected credit loss	10.00	7.19
Bank charges	95.33	87.61
Net loss on foreign currency translation and transaction	7.53	16.68
Loss on disposal/Impairment of property, plant and equipment	35.94	209.99
Legal and professional fees	532.20	369.50
Auditors remuneration	23.23	28.95
Retainership expenses	44.42	35.44
Office expenses	0.90	1.67
Inventory write-off	-	55.56
Warranty expense (refer Note 14)	157.83	57.64
Miscellaneous expenses	435.09	184.18
Total	**15,662.64**	**11,967.73**

Note 25

A. CAPITAL MANAGEMENT

For the purpose of Group Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Group. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Interest bearing loans and borrowings	20,709.06	9,323.64
Less: Cash and short term deposits	3,938.21	2,051.91
Net debt	16,770.85	7,271.73
Equity	1,365.31	1,307.55
Other equity	23,987.53	12,161.49
Total capital	25,352.84	13,469.04
Capital and net debt	42,123.69	20,740.77
Gearing ratio %	**39.81%**	**35.06%**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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 group has assessed market risk, credit risk and liquidity risk to its financial liabilities.

a) Market risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans , borrowings , foreign currency receivables and payables .

i) Interest rate risks

Interest rate risk can be either fair value interest rate or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rate. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Group'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 Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Fixed-rate instruments		
Borrowings	20,709.06	9,323.64

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

ii) Commodity Price Risks

The Group is affected by price stability of certain commodity due to significantly increase volatality of certain commodities , the Group has entred into contracts with the customers that has provision to pass on the change in raw material prices . The Group has risk management framework aimed at prudently managing the risk arising from volatality in commodity prices.

(b) Credit Risk Management :

It is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also has an external credit risk insurance cover with ECGC Policy. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

The ageing of trade receivables is as follows:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
More than 6 months	2,324.11	912.40
Others	12,475.37	6,005.62
	14,799.48	**6,918.02**

The amounts reflected in the table above are not impaired as on the reporting date.

(c) Liquidity Risk Management :

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

(Rs. in Lakhs)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	11	7,772.16	8,697.14	4,239.76	-
		(3,828.30)	**(4,970.20)**	**(525.14)**	-
Trade payable	16	13,196.97	17.19		
		(7,137.34)	**(76.61)**		
Security deposit	12	1.67	0.90		
		(2.05)	**(1.90)**		
Employee benefit/ expense liabilities	12	392.21	437.47		
		(396.74)	-		
Unclaimed dividends	12	110.06			
		(95.07)			
Others	12	578.25			
		(307.29)			

Figures in brackets are in respect of previous year.

Note 26

Reconciliation of tax expense and the accounting profit multiplied by tax rate

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Accounting profit before income tax	8,431.28	7,724.08
At India's statutory income tax rate of 30.73% (31 March, 2021: 32.91%)	2,414.49	2,541.91
Tax in foreign jurisdictions	294.94	-

Notes to the Consolidated Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Prior period income	(1.69)	-
Effect of exempt / lower tax non-operating income	(167.91)	(242.37)
Effect of non-deductible expenses	28.94	96.50
Changes in recognised deductible temporary differences	39.17	(9.06)
	2,607.94	**2,386.98**

Note 27

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)

As at 31st March 2022	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade Receivables	7	-	-	14,799.48	14,799.48	-	-	14,799.48	14,799.48
Loans	10	-	-	17.27	17.27	-	-	17.27	17.27
Others financial assets	3	-	-	326.67	326.67	-	-	326.67	326.67
Cash and cash equivalents	8	-	-	2,492.98	2,492.98	-	-	2,492.98	2,492.98
Bank balances other than above	9	-	-	1,445.23	1,445.23	-	-	1,445.23	1,445.23
Total		-	-	**19,081.63**	**19,081.63**	-	-	**19,081.63**	**19,081.63**
Financial liabilities									
Borrowings	11		-	20,709.06	20,709.06	-	20,709.06	-	20,709.06
Lease liabilities	11			980.91	980.91			980.91	980.91
Trade Payables	16	-	-	13,214.16	13,214.16	-	-	13,214.16	13,214.16
Other financial liabilities	12	-	-	1,520.56	1,520.56	-	-	1,520.56	1,520.56
Total		-	-	**36,424.69**	**36,424.69**	-	**20,709.06**	**15,715.63**	**36,424.69**

(Rs. in Lakhs)

As at 31st March 2021	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade receivables	7	-	-	6,918.02	6,918.02	-	-	6,918.02	6,918.02
Loans	10	-	-	20.71	20.71	-	-	20.71	20.71
Others financial assets	3	-	-	283.59	283.59	-	-	283.59	283.59

Notes to the Consolidated Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

As at 31st March 2021	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Cash and cash equivalents	8	-	-	1,049.22	1,049.22	-	-	1,049.22	1,049.22
Bank balances other than above	9	-	-	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**
Financial liabilities									
Borrowings	11		-	9,323.64	9,323.64	-	9,323.64	-	9,323.64
Lease liabilities				132.53	132.53			132.53	132.53
Trade payables	16	-	-	7,213.95	7,213.95	-	-	7,213.95	7,213.95
Other financial liabilities	12	-	-	803.05	803.05	-	-	803.05	803.05
Total		-	-	**17,473.17**	**17,473.17**	-	**9,323.64**	**8,149.53**	**17,473.17**

B. **Measurement of fair values**

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

a) **Earnings per share**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Profit after taxation		
Profit for the period from continuing operations	6,067.10	5,113.99
Profit for the period from discontinuing operations	(243.76)	223.11
Weighted average number of equity shares for the purpose of basic earnings per share (nos in lakhs)	1,36,53,096	1,29,74,991
EARNINGS PER EQUITY SHARE		
a. From continuing operations		
Basic	44.44	39.41
Diluted	44.44	39.41
b. From discontinuing operations		
Basic	(1.79)	1.72
Diluted	(1.79)	1.72

Notes to the Consolidated Financial Statements

as at 31st March, 2022

b) Disclosures as per Ind AS - 19 - employee benefits

(a) In respect of the Company and domestic subsidiary

The Holding Company make contributions towards provident fund, in substance a defined benefit retirement plan and towards pension and superannuation funds which are defined contribution retirement plans for qualifying employees. The Holding Company and its domestic subsidiary are liable to pay to the provident fund to the extent of the amount contributed and any shortfall in the fund assets based on Government specified minimum rates of return relating to current services. Such contribution and shortfall if any, are recognised as an expense in the year in which these are incurred.

The Holding Company make annual contributions to the Employees' Gratuity Trust, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The trustees of the trust fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

(b) In respect of overseas subsidiary, the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries.

(i) Thaletec GmbH (Germany subsidiary)

1) During the year, the company has recognised the following amounts in the statement of profit and loss:

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
i) Employer's contribution to provident fund	89.29	80.06
*Included in "contribution to provident and other funds" (Note 20).		
ii) Leave encashment - unfunded	64.08	43.11
iii) Defined benefit obligation:		

2) The valuation results for the defined benefit gratuity plan as at 31-3-2022 are produced in the tables below:

i) Changes in the present value of obligation

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Present value of obligation as at the beginning	1,612.78	389.75
Current service cost	126.26	39.28
Interest expense or cost	41.20	25.68
Liability transfer out	-	
Re-measurement (or Actuarial) (gain) / loss arising from:	-	
- change in financial assumptions	(142.28)	14.85
- experience variance (i.e. actual experience vs assumptions)	(24.41)	45.43
Past service cost	-	
Benefits paid	(76.52)	(18.74)
Present value of obligation as at the end	**1,537.02**	**496.24**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

ii) Changes in the fair value of plan assets

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Fair value of plan assets as at the beginning	336.17	290.80
Investment income	21.82	19.16
Adjustment to opening fair value of plant asset	-	-
Return on plan assets excluding interest income	0.15	4.48
Employer's contribution	51.56	40.47
Benefits paid	(43.25)	(18.74)
Fair value of plan assets as at the end	**366.45**	**336.17**

iii) Expenses recognised in the income statement

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Current service cost	126.26	39.28
Net interest cost / (income) on the net defined benefit liability / (asset)	19.38	6.52
Expenses recognised in the income statement	**145.64**	**45.80**

iv) Other comprehensive income

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Actuarial (gains) / losses		-
- change in financial assumptions	(142.28)	14.85
- change in demographic assumptions		-
- experience variance (i.e. Actual experience vs assumptions)	(24.41)	45.43
Adjustment of present value of oligation at the beginning of the year		-
Return on plan assets excluding interest income	(0.15)	(4.49)
Components of defined benefit costs recognised in other comprehensive income	**(166.84)**	**55.79**

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

(Rs. In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	India	Germany	India	Germany
Funds managed by insurer	100%	0%	100%	0%
Investment in insurance company				
Life Insurance Corporation of India	15%		16%	
Reliance (Nippon Life insurance)	35%		47%	
Bajaj Allianz	50%		37%	

Notes to the Consolidated Financial Statements

as at 31st March, 2022

vi) **Actuarial assumptions**

a. **Financial assumptions**

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

(Rs. In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	India	Germany	India	Germany
Discount rate (per annum)	6.84%	1.75%	6.49%	-
Salary growth rate (Anand Unit)	7.00%	-	7.00%	
Salary growth rate (Maroli Unit)	7.00%	-	10.00%	

b. **Demographic Assumptions**

(Rs. In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	India	Germany	India	Germany
Mortality rate {% of IALM 2012-14(Urban)}	100.00%			
Mortality rate (% of IALM 06-08) Ultimate			100.00%	
Richttafeln Heubeck 2018 G		100.00%		-
Withdrawal rates, based on age: (per annum)				
For Anand Unit	7.95%		7.50%	
For Maroli Unit:				
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 (India)**

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 31st March 2022	As at 31st March 2021
Defined Benefit Obligation (Base)	480.94	496.24

(Rs. In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	31.25	(27.65)	30.63	(32.27)
(% change compared to base due to sensitivity)	-93.5%	-105.8%	-93.8%	-106.5%
Salary Growth Rate (- / + 1%)	(27.31)	29.93	(31.81)	29.35

Notes to the Consolidated Financial Statements

as at 31st March, 2022

(Rs. In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Decrease	Increase	Decrease	Increase
(% change compared to base due to sensitivity)	-105.7%	-93.8%	-106.4%	-94.1%
Employee Turnover Rate (- / + 1%)	1.55	(1.53)	3.87	(8.92)
(% change compared to base due to sensitivity)	-99.7%	-100.3%	-99.2%	-101.8%

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 31st March 2022	As at 31st March 2021
The Company's best estimate of Contribution during the next year	1,148.24	92.22
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)		8 Years

(Rs. in Lakhs)

Expected cash flows over the next (valued on undiscounted basis)	As at 31st March 2022	As at 31st March 2021
1 year		77.89
2 to 5 years		172.63
6 to 10 years		214.62
11 and above years		363.88

viii Significant actuarial assumptions & sensitivity analysis (Germany)

The sensitivity analysis shall show the effects of changes that are considered to be reasonably possible over the period until the entity will next present these disclosures, which is usually its next annual report period (IAS 19.145, such as IFRS 7).

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
a) Defined Benefit Obligation (Base)	699.69	-

Notes to the Consolidated Financial Statements

as at 31st March, 2022

b) **Significant Actuarial Assumptions at 31/03/2022**

(in EUR)

Parameter	Original value	As at 31st March 2022	
		Sensitivity Analysis	Effect on DBO
Discount rate	1.75%	0.50%	(54,551.00)
Discount rate	1.75%	-0.50%	60,647.00
Pension increases for in payment benefits	2.00%	0.25%	27,330.00
Pension increases for in payment benefits	2.00%	-0.25%	(26,121.00)
Mortality	© Richttafeln Heubeck 2018 G	+1 year	31,696.00
Mortality	© Richttafeln Heubeck 2018 G	-1 year	(31,478.00)

c) **Related party disclosures**

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

Names of other related parties and nature of relationship :

Key Management Personnel :

Executive Directors/ CS / CFO

Mr. Himanshu Patel (Managing Director)

Mr. Aalap Patel (Executive Director-Technical)

Ms. Dhwani Shah (Company secretary and compliance officer up to 31.01.2022)

Mr. Achal Thakkar (Company Secretary & Compliance Officer) (w.e.f. 10.05.2022)

Mr. K V Unnikrishnan (Chief Financial Officer up to 31.03.2022)

Mr. Naveen Kandpal (Chief Financial Officer) (w.e.f. 01.03.2022)

Dr. Jürgen Reinemuth (Managing Director) of THALETEC GmbH

Alexander Barkow (Managing Director) of THALETEC GmbH

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 :

Ms. Swara R. Patel (daughter of Mr. Himanshu K Patel)

Ms. Priti H. Patel (spouse of Mr. Himanshu K Patel)

Mr. Sahil H Patel (son of Himanshu K Patel)

Ms. Poonam H Patel (daughter of Himanshu K Patel)

Mr. Hitesh C. Patel (brother in law of Mr. Himanshu K Patel)

Ms. Bhoomi A Patel (spouse of Aalap N Patel)

Notes to the Consolidated Financial Statements

as at 31st March, 2022

	Ms. Kishori N. Patel (wife of Mr. Nilesh K. Patel)
	Ms. Neha N Patel (daughter of Nilesh K Patel)
	Ms. Nidhi N Patel (daughter of Nilesh K Patel)
	Ms. 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 Udyognagar Land Development and Management Co. Pvt. Ltd.
	Newpar Aromatics LLP (NALLP) [upto 12th March, 2018 Newpar Aromatics Pvt. Ltd]
	HLE Engineers Pvt. Ltd.
Entities in which relatives of Key Management Personnel are interested :	Applied Electrostatics & Controls Private Limited
Others	Employee Gratuity Fund - HLE Glascoat Limited

Transactions with related parties (excluding reimbursements)

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Key management personnel :				
Remuneration*(Short term Employee benefit)	377.91	183.66	20.56	13.26
Commission	82.59	73.04	67.39	54.29
Rent expense	7.80		1.76	-
Dividend (Equity shares)	151.38	94.61	-	-
Dividend (Preference shares)	-	6.42	-	-
Interest	(0.36)	(1.39)		
Loan from directors :				
Balance as on year ending			-	-
Loan received	-	2,675.58	-	-
Loan repaid	-	2,760.08	-	-
Interest	-	33.16	-	-
Relatives of KMP :				
Dividend (Equity shares)	232.65	145.41	-	-
Dividend (Preference shares)	0.43	9.89	-	-

Notes to the Consolidated Financial Statements

as at 31st March, 2022

(Rs. in Lakhs)

Nature of Transactions	Transactions		Outstanding Payable/(Receivable)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Sitting fee	5.10	3.90	-	-
Rent expense	6.52		1.24	
Purchase of goods/services	10.80	9.00	4.86	4.16
Remuneration*	18.00	18.00	-	-
Interest	1.04	0.80	-	-
Loan repaid	-	235.00	-	-
Entities in which directors are interested:				
Sales of goods/services	900.58	4,157.73	(852.29)	(991.16)
Purchase of goods/services	2.75	5.82	0.31	11.37
Donation for corporate social responsibility activity	52.00	59.35	-	-
Entities in which realtives of KMP are interested:				
Balance as on year ending	-	-	150.00	-
Loan received	150.00	-		-
Gratuity fund	51.56	40.46	366.45	260.00

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 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: 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.

d) Segment Information

The operations of the Company are limited to three segment viz. (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment. The Registered Office and Glass Lined Equipment division is located at Vitthal Udyognagar, Anand, Gujarat. The Other Engineering Equipment 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 Parent company with following additional policies for segment reporting.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Details of segment information:

(Rs. in Lakhs)

Particulars	Filtration, drying and other equipment		Glass lined equipment		Total	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Revenue :						
External sales	31,410.57	24,174.97	33,002.59	20,021.24	64,413.16	44,196.21
Other					808.66	4,252.72
Total external sales					**65,221.82**	**48,448.93**
Segment results :						
Profit/(loss) before tax and interest	4,609.29	4,377.84	7,055.58	4,193.32	11,664.87	8,571.16
Less: Other unallocable expense net of unallocable income					1,011.07	(126.62)
Less: Interest expense					1,311.10	973.70
Less: Exceptional items					911.42	-
Profit/(loss) before tax					**8,431.28**	**7,724.08**
Taxes					2,607.94	2,386.98
Net profit after tax					**5,823.34**	**5,337.10**
Segment assets	29,759.75	19,173.23	43,255.77	15,048.24	73,015.52	34,221.47
Unallocated segment assets					3,029.65	3,489.97
Total assets					**76,045.17**	**37,711.44**
Segment liabilities	9,299.81	7,375.39	20,082.23	6,202.21	29,382.04	13,577.60
Unallocated segment liabilities					21,301.89	10,652.96
Total liabilities					**50,683.93**	**24,230.56**
Capital expenditure	3,297.43	2,348.94	13,467.31	1,641.37	16,764.75	3,990.31
Unallocated capital expenditure					18.33	111.02
Total capital expenditure					**16,783.08**	**4,101.33**
Depreciation	350.88	272.71	670.60	419.68	1,021.48	692.39
Unallocated depreciation					101.10	168.60
Total depreciation					**1,122.58**	**860.99**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Capital employed	25,361.24	13,480.88

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Geographic information

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Geographic information		
Revenue from customers		
India	54,182.11	45,752.37
Outside India	11,039.71	2,696.56
Total	**65,221.82**	**48,448.93**

The external customer with whom the group has earned revenue of more than 10% of its revenue is Rs. 6,042.22 lakhs during the year 21-22 & Rs. 5,525.27 lakhs during the year 20-21.

e) **Commitment**

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for - Rs. 265.29 lakhs (Previous Year Rs. 833.34 lakhs)

(ii) Letters of credit issued by the banks - Rs. 4,062.76 lakhs (Previous Year Rs. 2,138.12 lakhs)

f) **Contingent Liabilities not provided for:**

(i) Claims not acknowledged as debts:

(a) There is a pending litigation against the Parent company for compensation of loss of profit of Rs. 500.00 lakhs. The Court has decided the judgement in favour of the Parent company, however the mater has been referred to the High Court, in the opinion of the management, no provision is considered necessary.

(b) Disputed Service Tax for the period 2008 to 2013 is Rs. 14.74 lakhs (Previous Year Rs.14.74 lakhs) pending before CESTAT, against which the Parent company has made payment of Rs. 5.19 lakhs (Previous Year Rs. 5.19 lakhs).

(c) Disputed Service Tax for the period 2012 to 2015 is Rs. 29.07 lakhs (Previous Year Rs.29.07 lakhs) pending before CESTAT, against which the Parent company has made payment of Rs. 5.09 lakhs (Previous Year Rs. 5.09 lakhs).

(d) 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 Parent company has made payment of Rs. 5.16 lakhs (Previous Year Rs. 5.16 lakhs).

g) 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).

h) **Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests**

Notes to the Consolidated Financial Statements

as at 31st March, 2022

Sr. No.	Name of the Company	Net Assets i.e. total assets 'minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Rs. in lakhs	As % of consolidated profit or loss	Rs. in lakhs	As % of consolidated other comprehensive income	Rs. in lakhs	As % of consolidated total comprehensive income	Rs. in lakhs
	Parent								
	HLE Glascoat Limited	81.92%	28,132.11	83.09%	6,176.48	29.29%	38.60	82.15%	6,215.08
	Subsidiaries								
	Indian subsidiary								
	H.L Equipment	4.02%	1,382.03	8.73%	648.63	0.00%	-	8.57%	648.63
	Foreign subsidiary								
	Thaletec GmbH	14.05%	4,826.10	8.19%	608.68	70.71%	93.20	9.28%	701.88
		100%	**34,340.24**	**100.00%**	**7,433.79**	**100.00%**	**131.80**	**100.00%**	**7,565.59**
a)	**Non-controlling Interests**								
	Indian subsidiary								
	H.L Equipment		(8.40)		(6.49)		-		(6.49)
	Foreign subsidiary								
	Thaletec GmbH		-				-		-
			(8.40)	-	**(6.49)**	-	-	-	**(6.49)**
b)	Adjustments arising out of Consolidation		(8,979.00)		(1,610.45)		-		(1,610.45)
	Consolidated		**25,352.84**		**5,816.85**		**131.80**		**5,948.65**

i) There are no material transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

j) Discontinuing Operations:

a) Description of Discontinuing Operations:

i) The Parent 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 product.

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

ii) The Parent 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 and has business only in India.

c) Date & Nature of Initial Disclosure:

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

i) The Parent company sold some of its plant & machinery in the year 2021-22.

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

The management of the Parent 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, 2022.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

e) **Details of total assets are as under:**

(Rs. in Lakhs)

Fixed Assets	As at 31 March 2022	As at 31 March 2021
Building	-	528.34
Plant & Machinery	786.20	922.61
Total Assets	**786.20**	**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 March 2022	As at 31 March 2021
Revenue from operations	808.66	4,252.72
Other income	30.37	48.75
Depreciation on Assets	96.99	164.49
Other Expenses	985.80	3,819.74
Profit/(Loss) before tax	**(243.76)**	**317.24**

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

k) Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the aquiree, and the fair value of acquirer's previously held equity instrument in the aquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed.

Goodwill of Rs. 48.47 lacs (Previous Year Nil) relates to Thaletec GmbH

l) The Expenses incidental to the acquisition of 100 % shareholding in Thaletec GmbH amounting to Rs. 911.42 lakhs are disclosed under exceptional items.

m) Subsequent events post balance sheet

i) The Board has recommended dividend @ 50% (Rs. 5) per equity share and declared dividend @ 9.50% (Rs. 0.57) per preference share at its meeting held on 23rd May, 2022.

Notes to the Consolidated Financial Statements

as at 31st March, 2022

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

o) The consolidated financial statements for the period ended 31st March, 2022 includes financial information of foreign subsidiaries Thaletec GmbH, Germany and its step down subsidiary, Thaletec Inc., USA for the period (17th December 2021 to 31st March 2022) from the date of acquisition. The figures for the year ended 31st March, 2022 are not comparable with the figures for the year ended 31st March, 2021 to that extent.

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated May 23, 2022

For and on behalf of the Board

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

Mr. Aalap Patel
Director
(DIN-6858672)

Achal Thakkar
Company Secretary
ACS A30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated May 23, 2022

HLE Glascoat Limited

Registered Office:
H – 106, G.I.D.C. Estate,
Vitthal Udyognagar – 388121.
Dist. Anand, Gujarat, INDIA