September 06, 2023

To, **The Manager (CRD)** **BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street, Fort,** **Mumbai – 400 001**	**To,** **The Manager - Listing Department** **National Stock Exchange of India Ltd** **Exchange Plaza, Plot no. C/1, G Block,** **Bandra-Kurla Complex, Bandra (East)** **Mumbai - 400 051**
Scrip Code: 522215	**Symbol : HLEGLAS**

SUB: Submission of Annual Report for the Year 2022-23

Dear Sir/ Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith copy of the 32ndAnnual Report with regards to the ensuing Annual General meeting of the Company convened on Thursday, 28thSeptember, 2023 at 10:00 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 faithfully,
For **HLE Glascoat Limited**

THAKKAR ACHAL

Digitally signed by THAKKAR ACHAL
Date: 2023.09.06 15:24:54 +05'30'

Achal Thakkar
Company Secretary and Compliance Officer

Encl: As Above

HLE Glascoat

Where Scale Meets Opportunities

ANNUAL REPORT
2022-23

CONTENTS

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

Forward-looking Statement

This document contains statements about expected future events and financials of HLE Glascoat Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred in the document.

Where Scale Meets Opportunities

AT HLE GLASCOAT, OUR JOURNEY EXEMPLIFIES THE SYNERGY BETWEEN SCALE AND POTENTIAL. WE HAVE EXPANDED MANUFACTURING CAPACITIES, SUCCESSFULLY IMPLEMENTED STRATEGIC ACQUISITIONS, STRENGTHENED OUR CUSTOMER BASE ACROSS GEOGRAPHIES AND HARNESSED OUR PROFOUND DOMAIN EXPERTISE. OUR FOCUSSED EFFORTS HAVE DRIVEN ROBUST GROWTH AND ESTABLISHED US AS A MARKET LEADER IN MANUFACTURING SPECIALISED PROCESSING EQUIPMENT.

Substantial investments in building world-class manufacturing infrastructure and scaling up our production volume have empowered us to efficiently meet growing demand. We consistently enhance our innovation edge by embracing cutting-edge technologies, investing in research and actively engaging in product development. Our aim goes beyond equipment manufacturing — we aspire to be recognised as distinguished providers of chemical engineering solutions.

The acquisition of Thaletec in Germany, a global leader in glass-lined equipment manufacturing, has further broadened our horizons. This synergy of manufacturing, innovations and technology expertise, coupled with a strong marketing network, positions us for progressive geographic expansion and the integration of new products into our portfolio.

As a formidable player in our business segments, our comprehensive strengths position us well to capture exciting opportunities. From new installations to repeat orders, we are woven into the growth narratives of end-user industries. The burgeoning market for replacements and post-sales and spares services also provides vast avenues for growth.

As we continue our journey, we remain committed to harnessing the power of scale to seize opportunities and drive value creation for all stakeholders.

Company Overview

Where engineering precision meets chemical proficiency

HLE Glascoat is a leading manufacturer of specialised processing equipment critical for the chemical and pharmaceutical industries. We lead in India's filtration and drying equipment market segment and also rank among the largest manufacturers of glass-lined equipment in the country.

The foundation of our illustrious growth rests upon the convergence of our deep domain knowledge in product engineering and a strong understanding of chemical processes. This synergy enables us to deliver innovation to meet our customers' unique requirements, thereby elevating the value we offer and establishing a solid reputation as the preferred supplier of process equipment. With a reach that extends globally, we serve customers across both domestic and international markets.

Our journey commenced in 1981, originally under the mantle of HLE Engineers Pvt. Ltd., dedicated to chemical equipment manufacturing. The year 2017 marked a pivotal expansion into the realm of glass-lined equipment with the acquisition of Swiss Glascoat Equipments Ltd. Building on this momentum, 2021 saw us further strengthen our position with the acquisition of Thaletec GmbH, Germany, a renowned leader in glass-lining technology.

Our manufacturing capabilities are backed by three state-of-the-art facilities situated in Western India and a facility located in Germany. These modern, internationally-certified plants uphold our commitment to delivering quality and precision.

Strong Parentage

HLE Glascoat operates under the esteemed umbrella of the Patel Group of Companies, established in 1951 by the visionary Late Dr. Khushalbhai H. Patel. The Group's entity, Indosal Chemicals, spearheaded by Dr. Patel, pioneered Salicylic Acid manufacturing in India. Over seven decades, the Group's influence has grown, solidifying its standing in Chemical Manufacturing and Process Equipment industries.

Vision

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

Mission

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

Values

Ownership
We act as owners and passionately drive organisational success

Walk the Talk
We do what we say. Commitment is an act, not just a word for us

Agility
We respond quickly and decisively to situations and requirements of all stakeholders

Customer-Centricity
We put customer at the centre of everything that we do

People Care
We value our people and create an environment for them to flourish

Excellence
We continually set higher benchmarks in everything we do and strive to succeed

Our Company in Numbers

30+ years of experience in filtration and drying equipment

25+ years of experience in glass-lined equipment

4 manufacturing facilities

764 employees

Rs. 93,152.2 Lakhs Revenue from Operations in FY 2022-23
42.8% Y-o-Y

Rs. 14,507.3 Lakhs EBITDA in FY 2022-23
23.3% Y-o-Y

Rs. 6,980.7 Lakhs PAT in FY 2022-23
19.9% Y-o-Y

Rs. 45,740.7 Lakhs Orderbook as of March 31, 2023

Product Offerings

Where diverse equipment meets unique process needs

Our commitment to meeting unique process needs finds expression in an array of products. Encompassing storage and reaction to heat transfer, refining, and solid-liquid separation, our range comprehensively serves the chemical, pharmaceutical and allied sectors.

PRODUCT CATEGORY

Filtration and Drying Equipment
- Comprehensive equipment range for chemical product filtration and drying
- Custom-engineered solutions addressing specific process requirements

Glass-Lined Equipment
- Versatile range applicable across processes
- Includes storage, reaction, heat transfer, filtration, and drying capabilities

PRODUCTS

Filtration and Drying Equipment

Agitated Nutsche Filter-Dryers (ANFD)
- Versatile solid-liquid separation equipment
- Capable of filtering, washing, re-slurrying, and drying in a single charge
- Operates within a fully enclosed vessel

Rotary Vacuum Paddle Dryers (RVPD)
- Converts wet cake or solution into dry powder
- Batch drying under vacuum for economic efficiency

Kilo-Lab Filter Dryers
- Scale portable filter-dryer for modern chemical manufacturing
- Enables filtration, washing, and drying in a single charge without transfer

Rapid Disc Dryer-Cooler
- Innovative HLE design, patent pending
- Modernises traditional Paddle Dryers
- Nearly doubles capacity within the same footprint and volumetric capacity

Orbicular Dryer
- High-end solution for drying sensitive pharmaceutical products
- Offers exceptional access for cleaning between batches

Glass-Lined Equipment

Glass-Lined Reactors
- User-friendly reactors complying with DIN 28136 standards
- Available in a range from 63 to 50,000 litres

Glass-Lined Storage Vessels & Receivers
- Horizontal and vertical storage solutions
- Serve as tanks, receivers, and application-specific vessels
- Includes Bromine Storage tanks
- Tank sizes range from 50 to 65,000 litres

Glass-Lined Heat Exchangers
- Plate type and shell-in-shell type constructions
- Heat transfer area options of 4 and 10 square meters
- Enhanced durability and maintenance-free service for corrosive applications

Glass-Lined Columns
- Manufacturing capacity up to 2.4 metres in diameter and 6 metres in length
- Dedicated infrastructure for column production
- Over 500 successful installations nationwide, establishing leadership in India

DOWNSTREAM UTILISATION

Filtration and Drying Equipment
- Agrochemicals
- Speciality and fine chemicals
- Dyes, pigments and intermediates
- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food

Glass-Lined Equipment
- Agrochemicals
- Speciality and fine chemicals
- Dyes and intermediates
- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food

Exotic Metal Equipment

- Engineered leveraging extensive experience with exotic materials
- Preferred equipment supplier

Customised Exotic Metal Fabrication

- Expertise with Hastelloy® C-276, C-22, C-2000, Inconel, Monel, Nickel and Titanium
- Manufacturing capacity for equipment up to 75 millimetres thick
- Diameter capability up to 4.5 meters, weighing up to 60 MT

- Agrochemicals
- Speciality and fine chemicals
- Dyes and intermediates
- Bulk chemicals
- Pharmaceutical
- Oil and gas
- Mineral processing
- Aerospace
- Marine

GMP Pharma Models

- Designed to meet cGMP standards
- Tailored for pharmaceutical industry needs
- Equipped with features to prevent product hold-up, simplify cleaning, expedite product changes and enhance aesthetic appeal

cGMP Agitated Nutsche Filter Dryers (ANFD)

- Specifically designed for pharmaceutical use
- Incorporates pharma-friendly features including detachable bottoms with double-lip sealing
- Eliminates product hold-up and enables rapid equipment opening

cGMP Rotary Vacuum Paddle Dryers (RVPD)

- Designed with quick access cantilever design
- Suited for pharmaceutical, cleanroom, and sterile applications

cGMP Glass-Lined Reactors

- Constructed with special pharma glass - GEL 2201
- Smooth, biologically-safe, and non-corrosive
- Exceptional corrosion resistance for pharmaceutical applications

- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food

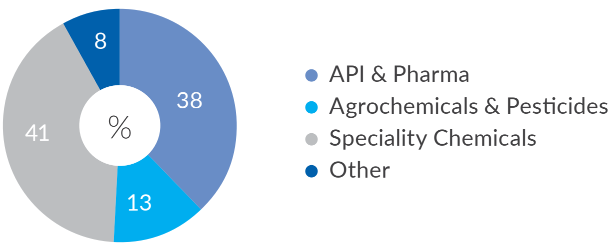
Business Diversification

Where growth meets stability

Our business thrives on the synergy between growth and stability. With diverse revenue streams spanning multiple products, several end-user industries, a marquee customer base, and a growing global footprint, we have curated a well-rounded business that safeguards against slowdown in any one or more areas. Our journey towards a stronger business involves continuous expansion, introducing new products and cultivating an extensive clientele.

Revenue diversified across industries

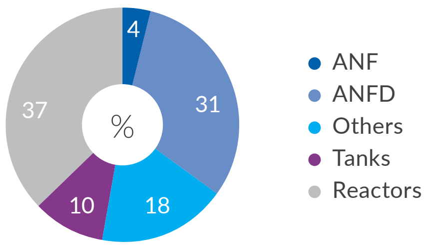
Industry-wise revenue break-up



Note: Standalone numbers; ended March 31, 2023

Revenue diversified across products

Product-wise revenue break-up



Note: Standalone numbers; ended March 31, 2023

Diversified marquee customer base

Our Global Footprint

Diversified presence

Diversified demand

New Installations for Projects

- Repeat orders from our existing customer base as they invest in capability and capacity expansion
- Orders secured by adding new customers

Replacement Demand

- 4,000+ filtration and drying equipment installations, running for over a decade, are slated for replacement in the medium term

After Sales Service and Spares

- In our India business, after-sales services and spares, account for 7-8% of the revenue, consistently growing from 3-4% three years ago
- In our European business, after-sales services and spares contributes 40% of the revenue

Milestones & Achievements

Where evolution meets success

With an illustrious history of growth, strategic acquisitions and a commitment to pushing the boundaries of possibility, we continue to be a leading force in shaping the future of specialised processing equipment for the chemical and pharmaceutical sectors.

2022

Set up a greenfield project at Silvassa to manufacture filtration and drying equipment and other engineering equipment

2021

HGL acquired the global business of leading glass-lining company Thaletec GmbH, Germany

2020

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

2019

Consolidated the operations of HLE and Swiss Glascoat, under the name of HLE Glascoat Limited (HGL) through a Scheme of Arrangement

2017

HLE expands product portfolio to glass-lined equipment with acquisition of Swiss Glascoat Equipments Ltd.

2004

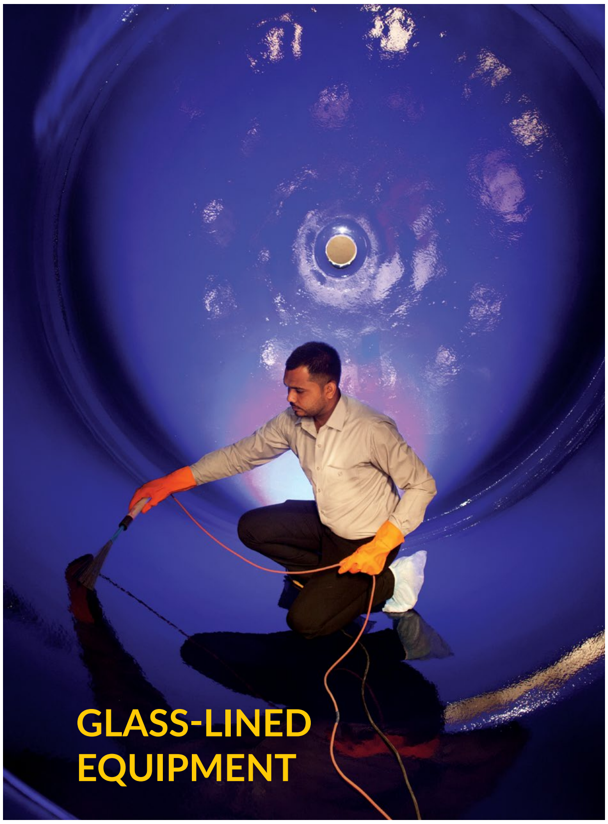
Set up the Silvassa plant under the name of H L Equipments, and inaugurated Heerasons R&D centre at Maroli

1981

HLE Engineers (HLE) embarked on its operations as an equipment manufacturer for Group chemical plants

Segment achievements

- Largest player in India with preferred supplier status
- Leading manufacturer of Agitated Nutsche Filters and Dryers (ANFDs)
- **600+** Filters per annum
- **>50%** Market share in India
- **4,000+** Installations



- Among the largest players in India
- Global presence with Thaletec acquisition
- **2,000+** glass-lined equipment per annum
- **~25%** Market share in India
- **55%** CAGR in Revenue in 3 years#

*Note: Data from 2010 Onwards; #for glass-lined equipment segment from FY 2020 - FY 2023 – consolidated financials

Managing Director's Message

Where problem-solving meets disciplined execution

Dear Shareholders,

I am pleased to report that HLE Glascoat has achieved yet another year of strong performance. By reinforcing our culture of problem-solving, enhancing our manufacturing capabilities, leveraging the synergies resulting from the smooth integration of our newly acquired entity, Thaletec in Germany, and executing our growth plans with discipline, we have achieved favourable outcomes for all our stakeholders.

Operating Environment

As we entered FY 2022-23, any hopes of the world returning to a semblance of normalcy were short-lived due to the Russian invasion of Ukraine. The repercussions of this conflict spread globally, triggering an energy crisis, disrupting global supply chains and fuelling rising interest rates in developed economies to combat the highest inflation in decades. Almost every nation faced the challenge of soaring prices, amidst a backdrop of a global growth slowdown.

The Indian economy weathered the global storm relatively well on the basis of strong fundamentals. Despite high inflation and unprecedented volatility in commodity prices, particularly in the initial half of FY 2022-23, the multi-dimensional reforms and bold initiatives taken by the government in recent years enabled the economy to hold its own. The nation's GDP grew by 7.2% in FY 2022-23, demonstrating remarkable resilience and positioning India as a stable and growth-oriented beacon.

Financial Review

Against this background, we achieved robust results, underscoring our ability to adeptly navigate the challenges of the global macroeconomic landscape. Our consolidated revenue for FY 2022-23 reached Rs. 93,152.2 Lakhs, a significant increase from the previous year's Rs. 65,221.8 Lakhs, reflecting a growth of 42.8%. The increase in the revenue was driven by higher production, robust demand from end-user industries, consolidation of Thaletec financials for the full year, and a formidable order book. The recent expansions at our Anand, Maroli, and Silvassa plants augmented our production capacity.

Our consolidated EBITDA grew year-on-year by 23.3% to reach Rs. 14,507.3 Lakhs despite high raw material prices putting pressure on our margins. EBITDA margins were maintained at 15.6% on account of close monitoring of costs and focus on operating efficiencies. Profit after Tax also saw an impressive increase of 19.9% year-on-year to reach Rs. 6,980.7 Lakhs.

Operational Developments

The process of integration of the operations of Thaletec with our Indian entity has been progressing smoothly. All regulatory approvals for technology transfer have been secured and technological integration is in the advanced stages. We continue to work closely with Thaletec and are confident that the benefits arising from our combined operations will grow over the coming year and beyond.

Our passion and capability for problem-solving, combined with our responsiveness to evolving customer needs, drives value creation for our customers and sustainable business growth. In our pursuit of delivering precise and innovative solutions, we embrace cutting-edge technologies, invest in research, collaborate closely with customers and engage in proactive product development. This consistent focus on innovation is reflected in our strong customer profile across geographies. During the year, seven new innovations were introduced by German entities. Our new launches continued to support growth across our segments. We also added several new customers in India and in Europe.

As the complexity of our customers' requirements increases, our ability to add value grows stronger, drawing on the experience gained from engineering novel solutions for over three decades. In the past year, we showcased the prowess of our extensive capabilities by spearheading the indigenisation of specialised defence equipment for the Indian Navy. Having surpassed customer expectations in this trial project, we hold a strong belief in securing more such orders, particularly with the Indian government encouraging indigenisation of defence products. Presently, we stand as the sole Indian company certified to manufacture this technologically demanding product.

While excelling in innovation and providing a wide range of customised models of filters and dryers to our customers, we have also built a fast-growing business in filtration and drying equipment with limited degree of customisation. These products provide considerable advantage over their legacy counterparts while being more economical than highly customised equipment. Initially introduced to cater to MSMEs around five years ago, these products have not only found remarkable success but have also attracted interest from larger enterprises due to their convenient off-the-shelf availability. Additionally, these product lines have provided us with an entry point into a previously untapped customer segment, effectively broadening our market reach and diversifying our business portfolio.

Our sustained investments in infrastructure has enabled us to scale-up our capacity to meet growing customer demand. During the year, we purchased land near Anand, Gujarat, which is proposed to be utilised for setting up a new manufacturing plant for glass-lined equipment. Preparations are underway for initiating the phased implementation of this project. In addition to our infrastructural advancements, we have enhanced our internal competencies by strengthening our management and executive team through strategic senior-level appointments in key areas such as marketing, operations and support functions.

Business Outlook

While the remainder of 2023 is expected to be marked by financial uncertainties in the global markets, we remain confident in HLE Glascoat's ability to sustain its growth trajectory. Our optimism stems from a robust order book encompassing both our Indian and European operations. The ongoing stream of enquiries and productive customer interactions further bolster our medium-term outlook. The Indian economy's resilience bodes well for potential demand from end-user industries within this region. Stability in the prices of key raw material also provide optimism for enhancing business performance.

Our focus will be on growing our market share in the Filtration, Drying and Glass-Lined Equipment segments in India and abroad. Our strong balance sheet with disciplined capital allocation reinforces our ability to pursue our growth ambition. Simultaneously, we remain committed to driving innovation in products and applications, while elevating quality standards to meet evolving customer needs. The strategic acquisition of Thaletec has opened up new avenues for growth and innovation, positioning us as a strong player in the industry.

The scale-up in our manufacturing capacities puts us at a vantage point to capitalise on the unfolding opportunities in all business segments. We will also continue to focus on adding newer customers from the MSME sector, which has tremendous potential. Further, over 6,000 existing installations, running for 15 to 25 years, will need replacement of parts or complete equipment in the medium term. Aligned with this vast opportunity, we will continue our thrust on building on the post-sales and spares/component business, which is increasing continually.

Acknowledgements

I would like to take this opportunity to express my sincere gratitude to our Board members for their continued guidance and support, and to all the stakeholders for the trust they have reposed in our Company. I also extend my thanks to our team members for their contributions to the growth and success of the organisation. At HLE Glascoat, we remain confident that our culture of understanding and solving customer needs will herald an even brighter and more prosperous future ahead.

Regards,

Himanshu Patel

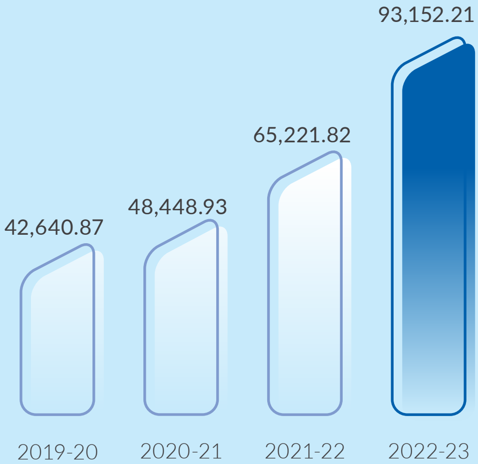
Managing Director

Financial Highlights

Where promise meets performance

Profit and Loss Indicators

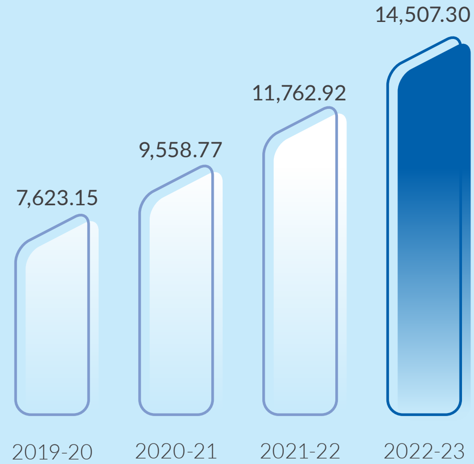
REVENUE (Rs. in Lakhs)



29.75%
3-year CAGR

42.82%
Y-o-Y

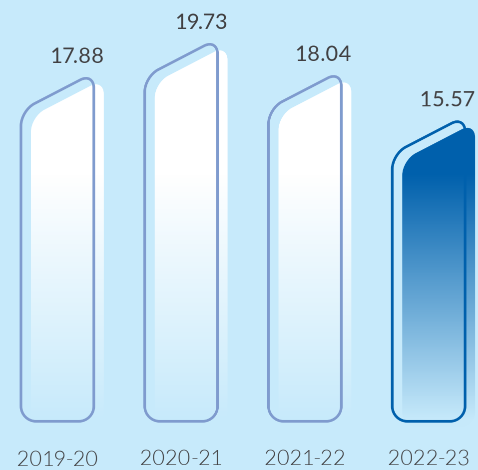
EBITDA (Rs. in Lakhs)



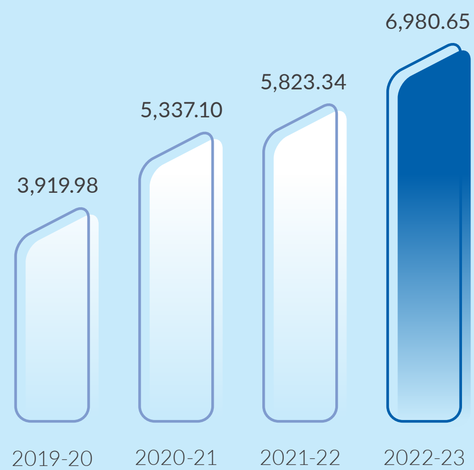
23.92%
3-year CAGR

23.33%
Y-o-Y

EBITDA MARGIN (%)

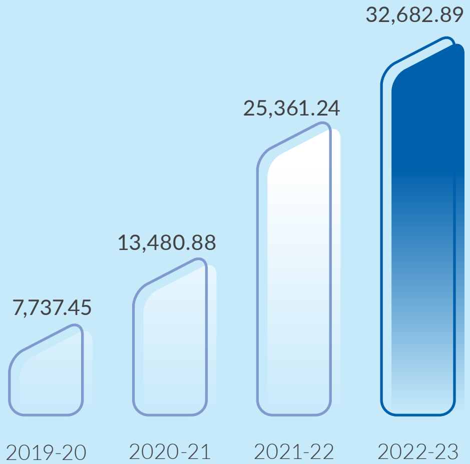


PAT (Rs. in Lakhs)



Balance Sheet Indicators

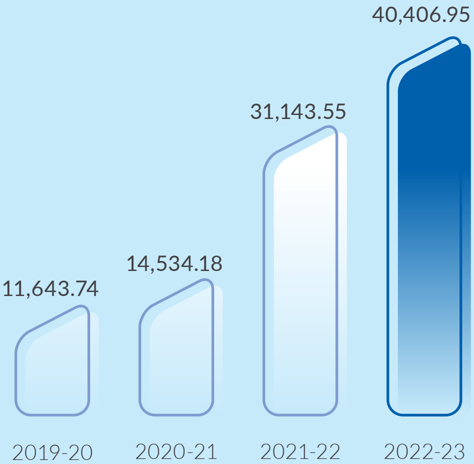
NET WORTH (Rs. in Lakhs)



61.65%
3-year CAGR

28.87%
Y-o-Y

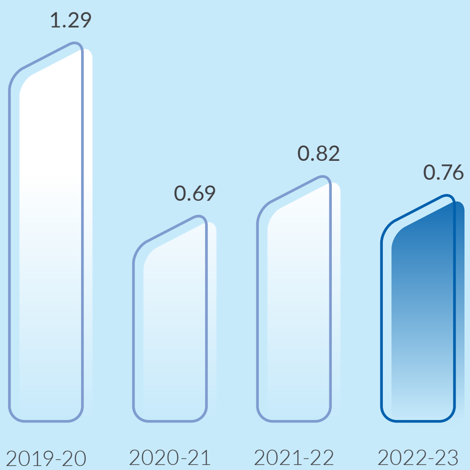
GROSS BLOCK (Rs. in Lakhs)



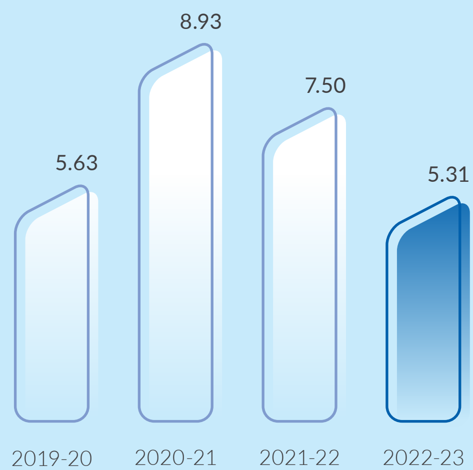
51.40%
3-year CAGR

29.74%
Y-o-Y

DEBT EQUITY RATIO (Times)



INTEREST COVERAGE RATIO (Times)



Manufacturing Infrastructure

Where capability meets capacity

Substantial investments have been made in world-class manufacturing infrastructure, accompanied by a consistent scaling up of our production volume. This strategic convergence of capability and capacity empowers us to efficiently meet demand, even in the most stringent international markets.

We have four facilities dedicated to the manufacturing of integrated process equipment. These include three plants situated in western India and one plant located in Germany. The overseas facility follows the acquisition of Thaletec in December 2021. Our plants feature a modern machine shop equipped with advanced CNC machine tools and utilise SCADA-controlled electric and gas-fired furnaces for glass lining of equipment and components. Our highly automated processes, alongside specialised SPMs, ensure precision and consistency in operations. Notably, we have also pioneered the implementation of robotic welding to meet the stringent quality standards of glass lining.

Plant details

Maroli
15,000 m^2 built-up area with nearly 13,000 m^2 covered under 40 EOT cranes

Anand
20,000 m^2 floor area covered by 33 EOT cranes

Silvassa
8,600 m^2 floor area covered by 18 EOT cranes

Thaletec
40,000 m^2 plant area

Robust systems

- Compliant with American Society of Mechanical Engineers (ASME) codes and standards for pressure vessel design, fabrication and repair
- Adhering to requirements of the Conformité Européene (CE) marking for design and manufacturing processes
- Following Japanese Industrial Standards (JIS) for manufacturing
- Holds International Organisation for Standardisation (ISO) 9001:2015 certification
- Holds Eurasian Conformity (EAC) Certification for pressure vessel manufacturing per Russian Directives

Progress during the year

Successful Thaletec Integration

Thaletec is engaged in the business of manufacturing specialised glass-lined process equipment/ reactors and has its manufacturing facility in Germany. It is one of the most reputed companies in the process equipment manufacturing segment in Europe.

During the year, the integration of both the businesses progressed smoothly. We successfully initiated projects and tested preliminary items, yielding satisfactory results. All regulatory approvals for technology transfer have been secured and the process itself is in advanced stages. This was marked by several successful team visits and promising progress.

We continued to work very closely with Thaletec to take advantage of our synergies. We are actively exploring the utilisation of Thaletec's advanced manufacturing technologies to establish global uniformity in product specifications. Simultaneously, we are tapping into Thaletec's marketing and post-sales network to expand our equipment offerings. This strategy enables us to diversify Thaletec's product portfolio within its customer base and industry.

We are confident that the benefits arising from our combined operations will continue to grow in the upcoming quarters. Thaletec's manufacturing facility possesses the capacity to increase production without substantial capital investments, providing us with ample room for expansion.

Commissioning and Stabilisation of Silvassa plant

In Q1 FY 2023, we began commercial manufacturing at our newly established greenfield plant located in Silvassa. This strategic move was aimed at augmenting our capacity for filtration and drying equipment. Since its inception, the operations at the facility have undergone a successful ramp-up phase and have now achieved a stable operational status. Currently, the capacity utilisation stands at around 65-70%.

Land Purchase for New Glass-Lined Equipment Facility

We acquired a land area spanning ~1.30 Lakh square metres near Anand, Gujarat to establish a cutting-edge manufacturing plant dedicated to glass-lined equipment. Our strategic priority includes a phased implementation of this state-of-the-art facility, for which meticulous preparations are underway. This expansion underscores our commitment to further excel in the production of Glass-Lined Equipment.

Operational Excellence

In the past year, we extended our Anand manufacturing facility by acquiring additional space, strategically located near our existing setup. This new space has been outfitted with small furnaces designed for components, shafts, and drives that require glass lining. This expansion has yielded dual benefits - it has unlocked extra room within our current manufacturing plant while also streamlining the movement of manpower and materials. The Anand plant has thus not only gained increased capacity but also optimised its operational efficiency.

The increase in manufacturing capacities at our Anand, Maroli and Silvassa plants has significantly fuelled business growth, showcasing the efficacy of scale in seizing emerging opportunities.

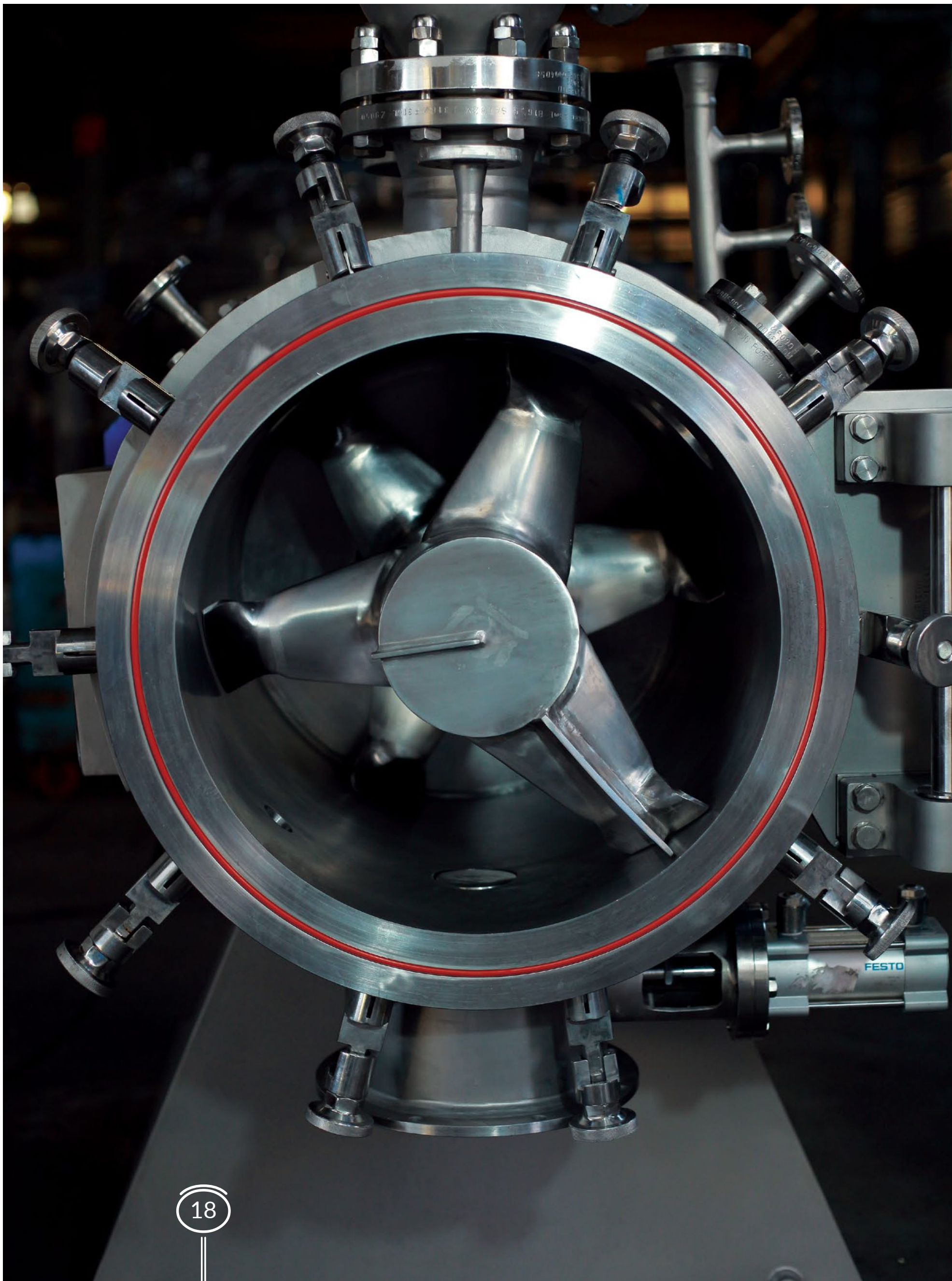
Research & Development

Where innovative solutions meet evolving needs

At the heart of our approach lies a commitment to proactive product development and the incorporation of cutting-edge technologies. Our aim is not only to excel as equipment manufacturers but to transcend this role and emerge as solution providers that consistently surpass customer expectations.

Our R&D facility at Maroli enables us to deliver innovative, high-quality solutions to our customers. Additionally, our application centre offers customers the opportunity for product trials and demonstrations. The centre houses a pilot plant that facilitates the scaling of end-to-end processes, improves product lifecycle management and enhances product design for quicker turnarounds.

Through relentless efforts in innovation and research and development, we strive to ensure that our solutions remain ahead of the curve and we maintain our position as a trusted industry leader. By consistently meeting evolving customer needs, our goal is to get recognised as chemical engineering solution providers and not just equipment manufacturers.



Progress during the year

New Product Launches

Thaletec takes pride in being the innovation leader in the industry. We continued with that tradition in the current year as well. Seven new innovations were introduced by our German facility, which were also among the first-of-its-kind globally.

INNOVATION EXCELLENCE AT THALETEC

Leading Innovator
Several Patents, Registered Designs & Trademarks among other IP

Technology Driven
7 new solutions in 2022

Reinforcing Customer Relationships

We continued to work closely with customers to help them find innovative solutions to their manufacturing challenges. This approach of customer understanding and problem solving has resulted in high customer goodwill and their continued clientele.

Upcoming Centre of Excellence

We are currently in the process of executing a capital expenditure programme for the establishment of a Centre of Excellence for Glass Lining. This centre will encompass, among other things, a state-of-the-art R&D laboratory and a Customer Experience Centre. The Customer Experience Centre is designed to offer our customers a live, hands-on interaction with our products and their unique features. This immersive environment will significantly enhance the confidence of potential customers in our offerings. Additionally, the centre will conduct hands-on demonstrations and provide training sessions, catering not only to our valued customers but also to our internal teams. We are targeting the commissioning of this centre in FY 2023-24.

Pioneering Indigenisation of Specialised Defence Equipment for the Indian Navy

Problem Statement

The Indian Navy currently relies entirely on imports to fulfil the demand for a specialised product crucial for deep sea diving vessels. Recognising the strategic importance of self-reliance in defence, the Indian Navy sought an indigenous solution to address this gap.

Our Expertise

HLE Glascoat is the first and only company in India that is qualified by the Indian Register of Shipping to manufacture this technically challenging product.

Our Contribution

The Indian Navy sought our expertise for this pioneering endeavour. Under a trial project, we successfully manufactured and delivered the equipment within a remarkably short timeframe. Our performance exceeded expectations, leading to a subsequent order due to our demonstrated capabilities.

Future Opportunity

The Indian government is actively encouraging the indigenous design, development and manufacture of defence equipment. Currently, we have no Indian competition and the entry barriers remain high for this segment. Our distinguished capabilities and successful delivery of our first project for the Indian Navy has opened up exciting opportunities for our Company. While the market size is still being explored, it is anticipated that the specialised nature of the product will yield higher margins than conventional marine equipment.

Our Success Story

Our accomplishment perfectly embodies the synergy between our capabilities and the promising opportunities of the future, where scale meets the potential for growth.

Environmental, Social and Governance Performance

Where growth meets responsibility

Our commitment extends beyond meeting the requirements of our customers; it encompasses creating value for all our stakeholders. To fulfil this commitment, we actively monitor and manage the environmental, social and governance aspects of our business, ensuring that our growth is driven by a strong sense of responsibility.

Our societal contribution begins with the expertise of our team, whose work results in world-class specialised processing equipment that caters to the crucial needs of chemical, pharmaceutical and related sectors. Our proficiency, experience and commitment to global quality standards ensure seamless, efficient and reliable operations for our customers, leading to products that touch lives worldwide.

We are deeply conscious of our operational impact and promote the use of renewable energy. Demonstrating responsible water management practices, all three manufacturing units in India have embraced the Zero Liquid Discharge (ZLD) mechanism.

We also prioritise our employees' well-being, offering learning opportunities and fostering a safe and secure work environment. Our inclusive approach extends to differently-abled employees, enabling them to excel and contribute fully. Moreover, we extend value to the communities neighbouring our plant operations. Our robust governance framework is designed to benefit all stakeholders.

The subsequent pages provide an insight into our ESG approach. Our pursuit of excellence remains unwavering as we aim to continually enhance our positive impact on the world around us.

Environmental Protection

We strive to foster a cleaner and greener future through proactive management of our environmental impact. This commitment has fuelled our investments in solar energy, energy conservation technology, zero liquid discharge plants and comprehensive waste management solutions.

Emissions Management

We undertake a range of energy efficiency initiatives and adopt renewable energy sources to reduce our carbon footprint. Our captive solar power plant of 180 KW capacity at Maroli has contributed 2.42 Lakh units of green energy. Additionally, we have established a 1.25 MW windmill at Baradiya in Jamnagar, Gujarat, along with two 250 KW windmills at Sujapur in Ratlam, Madhya Pradesh. The windmills have contributed 15.14 Lakh units. We also foster collaboration with suppliers and vendor partners through various awareness sessions focussed on resource alternatives and sustainable, low-impact options.

New energy-saving initiatives in FY 2022-23

Installed air compressors with **Permanent Magnet (PM)** motor and Variable Frequency Drive (VFD)	Achieved power savings of 10-15%
Replaced split Air Conditioner (ACs) with Variable Refrigerant Volume (VRV) air conditioners and replaced the inefficient equipment / other equipment with latest energy-efficient technology / equipment and upgradation of equipment continually	Achieved significant power savings, reducing costs and environmental impact
Modified Diesel Generator (DG) set network with two 320 KVA DG sets	Utilised the single small capacity DG set during night shifts and weekly off days to achieve substantial fuel savings
Maintained a power factor of 0.99+ for Dakshin Gujarat Vij Company Limited (DGVCL) & Torrent Power	Reduced loss of energy / optimisation of usage of energy

Water Management

Our commitment to water stewardship is evident through our comprehensive approach to water usage. We have successfully reduced our freshwater withdrawal by implementing efficient practices. Our manufacturing units in India operate as Zero Liquid Discharge plants, demonstrating our exceptional ability to recover and recycle every drop of wastewater generated during operations. Furthermore, our dedication extends to domestic wastewater management, with the establishment of a septic system designed to efficiently handle and treat such waste.

Waste Management

Our waste management strategy is rooted in the principles of Reduce, Reuse, and Recycle (3R). This comprehensive system aims to minimise waste generation, enhance recycling efforts, and ensure proper disposal of non-recyclable waste. Through source-level waste segregation, we effectively handle diverse waste materials, while regular audits and assessments monitor waste generation patterns and identify areas for improvement. Waste/scrap that gets generated across our manufacturing facilities was responsibly directed to authorised recyclers, ensuring environmentally sound processing that minimises any adverse impact on the ecosystem while transforming waste into valuable resources.

Social: Employee Growth and Wellbeing

Our Human Resource strategy is focussed on cultivating a skilled and motivated workforce. We achieve this by offering pathways for career growth, fostering diversity and inclusion, and prioritising the safety and wellbeing of all our employees.

Training & Development: With a focus on driving employee growth and fostering a culture of excellence, we invest in continuous training and development. Our employees and workers actively participate in a variety of training programmes, covering occupational and non-occupational areas, skill advancement sessions, compliance updates, and sessions on human rights and Code of Conduct. During the year, our skill upgradation initiatives encompassed all employees and workers, further empowering our workforce for meeting evolving customer needs.

Inclusivity and Diversity: Our commitment to inclusivity drives us to provide an equal opportunity workplace that welcomes individuals of all backgrounds, including those who are differently-abled. Our facilities are designed to be accessible, ensuring a supportive environment for all. Further, our various systems, processes and policies actively promote the integration and active participation of differently-abled employees, fostering their well-being and professional advancement within the organisation.

Health and Safety: Employee health and safety is of paramount importance to us. Our robust Occupational Health and Safety (OHS) system spans all operations, safeguarding workers from high-incident injuries. Access to non-occupational healthcare and medical services is seamless, reinforced by partnerships with hospitals for work-related accidents. Health cards and insurance cover are provided for workmen and their families. A medical centre, staffed with doctors, ensures routine medical care. Additionally, our established safety and hazard incident reporting system enhances workplace safety.

Human Rights Protection: We have established a transparent employee grievance redressal mechanism where employees and workers are encouraged to report any grievances or concerns relating to the workplace. The HR department resolves grievances impartially, ensuring human rights compliance. Suggestion boxes are placed across all units for employees to place their grievances.

Prioritising employee health and safety

Conducted safety training for all employee categories

Held regular evacuation and mock drills

Integrated ERP system with ERT for emergency response

Assessed Health & Safety across all HLE Glascoat locations

Zero

work-related major accidents during the year

100%

Employee and worker coverage in our awareness and training programmes for the year

Social: Community Welfare

As a conscientious corporate entity, we are dedicated to creating a positive impact not only within the areas where we have a presence but also for causes where we can effect change. Our social initiatives are driven by a thorough assessment of local requirements, aimed at empowering communities.

In FY 2022-23, we directed a total of Rs. 95.28 Lakhs towards our CSR initiatives. These initiatives primarily encompassed:

Establishing a Medical Clinic at Nadod Village: Situated near our filtration and drying unit, this clinic is equipped with essential infrastructure and staffed by a qualified medical doctor. It extends medical services to the local community and neighbouring villages.

Donation of Educational Animated Books on Environment Conservation: We contributed these books free of charge to a municipal school, with the aim of fostering environmental awareness among children.

Donation to an NGO Focussed on Girl Child Health and Education: We made a charitable contribution to an NGO dedicated to enhancing the health and education prospects of girl children.

Supporting Needy Patients: Our assistance included sponsorship of medical treatments, surgeries, post-operative care, hospitalisation, medication, etc., for individuals in need. This support was provided in and around our plant locations, viz. Navsari, Anand and Surat.

These initiatives have positively impacted numerous individuals and communities. We remain committed to identifying and supporting additional causes and projects, either independently or in collaboration with other organisations, to further our philanthropic efforts.

Governance: Value Creation for all Stakeholders

Our corporate governance mechanism provides a strong foundation for safeguarding the interests of all our stakeholders. We are steadfast in upholding the highest standards of integrity, ethics, professionalism and transparency through our governance.

Adhering to the highest standards of corporate governance with effective risk management practices is essential for continued stakeholder trust and long-term value creation. In pursuit of this, we have created a governance framework based on business needs and maintain transparency through regular disclosures with a focus on adequate control systems.

The Board of Directors holds the responsibility of overseeing and implementing the Business Responsibility policies. Subsequently, the Executive Director, along with the respective senior managerial team, is entrusted with executing and overseeing these policies under the guidance of the Board of Directors.

Our Board consists of highly qualified individuals with diverse skills and backgrounds. These members bring expertise from various fields including engineering, manufacturing, sales, marketing, finance, governance, legal, and risk management. This diverse perspective contributes to robust decision-making, efficient operations and sustainable growth.

An effective Whistle-blower/Vigil Mechanism policy is in place for employees to report regulatory violations, financial misrepresentation, etc. Our Code of Conduct forbids bribery, corruption and improper gifts to ensure ethical business transactions. Applicable to all levels, including Board Members, the Code is communicated during induction and regularly. We also have robust conflict of interest processes. These measures ensure transparency, integrity and stakeholder protection, fostering trust and upholding our values.

Board of Directors

Himanshu Patel
Managing Director

He is a qualified Electrical Engineer graduating from the University of Mumbai and has more than 45 years of experience in the business of chemicals and engineering.

Aalap Patel
Executive Director

He has completed his B.E. (Mechanical) from the University of Pune and MBA in Global Management from the Thunderbird School of Global Management. He has more than a decade of experience in the engineering industry.

M M M C

Nilesh Patel
Non-Executive Director

He has completed his BSc (Chemistry) from the University of Bombay and has nearly four decades of experience in the business of chemicals and engineering.

Harsh Patel
Whole-Time Director

He is a qualified Chemical Engineer from the University of Mumbai and has completed his MBA from the State University of New Jersey. He has more than 23 years of experience in the business of chemicals and engineering.

M

Ms. Vijayanti Punjabi
Independent Director

She is a qualified Human Resources Consultant with an overall work experience of over 35 years.

C M

Mr. Yatish Parekh
Chairman & Independent Director

He is a qualified Chartered Accountant and a graduate in commerce. He is a Practising Chartered Accountant with over 44 years of experience in audit and taxation. He is also involved in lot of charitable and social initiatives.

C M M

Mr. Sandeep Randery
Independent Director

He is a Master in Chemical Engineering and also a Management Graduate (MBA). He has more than 15 years of experience in the field of financial consultancy. He is engaged in Financial and Investment advisory business.

M C C M

Mr. Jayesh Shah
Independent Director

is having varied business interest and specialises in administration and marketing activities. He is a businessman with over 25 years of experience.

M M M

95%

Board attendance during FY 2022-23

Audit Committee | Stakeholders Relationship Committee | Nomination & Remuneration Committee

Corporate Social Responsibility Committee | Risk Management Committee

C - Chairman | M - Member

Corporate Overview
Statutory Reports
Financial Statements

Corporate Information

Corporate Identity Number (CIN)
L26100GJ1991PLC016173

Board of Directors
Mr. Yatish Parekh
Chairman & Independent Director

Mr. Himanshu Patel
Managing Director

Mr. Aalap Patel
Executive Director

Mr. Harsh Patel
Whole-Time Director

Mr. Nilesh 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)

Chief Financial Officer
Mr. Naveen Kandpal

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

Internal Auditors
(1) **For Anand Works:**
CNK & Associates LLP,
Chartered Accountants
Vadodara, Gujarat

(2) **For Maroli and Silvassa Works:**
AKMK & Associates LLP,
Chartered Accountants
Surat, Gujarat

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
Dist. Anand, Gujarat

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 - 390020

Notice

NOTICE is hereby given that the 32nd Annual General Meeting of HLE GLASCOAT LIMITED will be held on Thursday, 28th day of September, 2023 at 10:00 AM 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, 2023, 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, 2023, together with the Report of the Auditors thereon.

2. To declare dividend of Rs.1.10 (55%) per equity share having face value of Rs. 2 each for the financial year 2022-23.

3. To confirm dividend of Rs.0.95 per preference shares having face value of Rs.10 each (paid up value Rs.4 per share) for the financial year 2022-23 in accordance with the terms of issue.

4. To appoint a Director in place of Mr. Harsh Patel (DIN: 00141863), Director, who retire by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. **To re-appoint Mr. Jayesh Shah (DIN: 03570056), as an Independent Director of the Company for a period of five (5) years.**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions 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 IV to the Act and Regulation 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) and as recommended by the Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on May 29, 2023, Mr. Jayesh Shah (DIN: 03570056) whose period of office as an Independent Director, expires on November 02, 2023 and in respect of whom the Company has received a notice in writing along with requisite deposit from a Member pursuant to Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company for a period of five (5) year(s) with effect from November 03, 2023 and shall not be liable to retire by rotation."

6. **To approve raising of additional funds by way of one or more public or private offerings including through a Qualified Institutional 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 for Promotion 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 National Stock Exchange of India Limited and the BSE Limited ("**Stock Exchanges**"), where the equity shares of the Company having face value of Rs.2 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, NSE (stock exchanges), 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, RBI, SEBI, MCA, RoC and the Stock Exchanges (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 Institutional 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/ Memorandum 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 Exchanges."

"**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 offer for 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 the applicable law, also offer a discount of not more than 5% of the floor price or such other discount as may be permitted under the 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, issued or allotted by the Company shall rank pari passu in all respects with the existing Equity Shares of the Company, 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 Exchanges 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 Exchanges, 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 Exchanges 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."

7. To approve / ratify the remuneration payable to Cost Auditors for financial year 2023-24.

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. 1,00,000 (Rupees One Lakh 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, 2024, is hereby ratified and approved."

By the Order of the Board of
HLE Glascoat Limited

Date : May 29, 2023
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. 5 to 7 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. 10/2022 dated December 28, 2022, Circular No. 02/2022 dated May 05, 2022, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2021 dated January 13, 2021, read with Circular no. 20 dated May 5, 2020 No. 14 dated April 8, 2020 and 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 on September 28, 2023. 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 situated at H-106, Phase IV, G I D C Estate, Vitthal Udyognagar, Anand, Gujarat, 388121 which shall be the deemed Venue of the AGM.

2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip 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 28, 2023 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 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 2022-23 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 32nd Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website i.e. www.hleglascoat.com, BSE Limited website i.e. www.bseindia.com, National Stock Exchange of India Limited website i.e. www.nseindia.com and on the website of Company's Registrar and Share Transfer Agent, Link Intime India Pvt Ltd, i.e., www.instameet.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

7. Members attending the Meeting through VC/OAVM shall be counted for the purposes of

reckoning the quorum under Section 103 of the Companies Act, 2013.

8. In terms of Section 152 of the Act, Mr. Harsh Patel (DIN: 00141863) is liable to retire by rotation at the 32nd Annual General Meeting and being eligible, has offered himself for reappointment.

9. In terms of Section 152 of the Act, Mr. Jayesh Shah is proposed to be reappointed at the 32nd Annual General Meeting.

10. The OAVM platform "InstaMeet" of the RTA of the Company, Link Intime India Private Limited has been chosen for conducting the 32nd Annual General Meeting of the Company. Instructions for joining the 32nd 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 first serve 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 32nd 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) Speakers should use camera and unmute themselves while the're speaking.

(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.: (022.491.86175).

- **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 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time 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:

   The remote e-voting period commences on September 25, 2023 (9:00 a.m. IST) and ends on September 27, 2023 (5:00 p.m. IST). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off September 21, 2023 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. September 27, 2023. 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://www.evoting.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. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.comand click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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, the user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider 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 numerical, 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 : 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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 numerical, 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 above mentioned 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 Chairperson 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 Friday, September 22, 2023 to Thursday, September 28, 2023 (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, 2016 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 2015-16 is August 23, 2023. 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
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	2021-22	September 1, 2022	September 29, 2029
2019-20 (Interim Dividend)	February 11, 2020	March 9, 2027			

The statements of unpaid/unclaimed dividend amount as on for the previous financial year- Form IEPF-2 and for shares transferred to IEPF Authority Form IEPF-4 are uploaded on the Company's website: www.hleglascoat.com by accessing the web-link https://hleglascoat.com/unpaid-dividend/ and are also available on the IEPF website: www.iepf.gov.in.

The details of nodal officer appointed by the Company in accordance with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 are available on the Company's website: www.hleglascoat.com in IEPF 2 section by accessing the web-link https://hleglascoat.com/unpaid-dividend/ for any assistance related to transfer of shares/dividend to IEPF.

7. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 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 September 21, 2023.

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 September 21, 2023.

8. A separate reminder has also been sent to those Shareholders having unclaimed dividends related to financial year 2015-16 to 2021-22.

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://www.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 : May 29, 2023
Place : Maroli

Achal Thakkar
Company Secretary

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

Item No. 5

Pursuant to the provisions of Section 149, 150 and 152 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 IV to the Companies Act, 2013, Regulation 17 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 29, 2023, have recommended re-appointment of Mr. Jayesh Shah, as an Independent Director for a period of five (5) year(s) w.e.f. November 3, 2023.

The Company has received requisite Notice pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), from a Member proposing re-appointment of Mr. Jayesh Shah an Independent Director of the Company, not liable to retire by rotation.

Mr. Jayesh Shah 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 related to any of the Directors of the Company and 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. Jayesh Shah. The Company has also received a Declaration from him confirming that he meets with the criteria as prescribed under Section 149(7) of the Act, Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr. Jayesh Shah fulfils the conditions for appointment as an Independent Director and is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mr. Jayesh Shah 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.

Your Directors recommend the Resolution at Item No. 5 as a Special Resolution. None of the Directors / Key Managerial Personnel of the Company and their relatives, except Mr. Jayesh Shah is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice.

Item No.6

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) in 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 its 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. Further, the Board of Directors at their meeting held on June 6, 2022 and the shareholders at their 31st Annual General Meeting held on September 1, 2022, had passed respective resolutions for fund raising by way of issue of equity shares or any other instruments convertible into equity shares or any other eligible securities through qualified institutional placement, private placement/ public issue of equity, preferential issue or through any other permissible mode and/ or combination thereof as may be considered appropriate, subject to such statutory/ regulatory approvals, as may be required for an aggregate amount not exceeding Rs. 350 Crores. Since the validity of the said resolution would come to an end after a period of one year from the date of passing of the said resolution by the shareholders, it is proposed to further extend the validity of the said enabling resolution.

In line with the above, the Company proposes to raise funds through the issuance of equity shares of face value of Rs.2/- 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 only) 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 institutional 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 May 29 , 2023, 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 the 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 offer for 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 Exchanges 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 no. 6 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 to 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. 6 of the Notice.

The proposed Issue is in the interest of the Company and the Board recommends the resolution set out at Item no. 6 of the notice for the approval of the members as a special resolution.

Item No. 7

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, 2024.

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, 2024 by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the members.

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

By the Order of the Board of
HLE Glascoat Limited

Date : May 29, 2023
Place : Maroli

Achal Thakkar
Company Secretary

ANNEXURE TO THE EXPLANATORY STATEMENT

Details of personnel seeking appointment at the 32nd Annual General Meeting, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Name of the Director	Mr. Harsh Patel
DIN	00141863
Date of Birth	September 9, 1977
Date of Appointment	01/10/2022 (Date of first appointment December 31, 2016)
Qualifications	B. E. (Chemical Engineering), M.B.A
Terms & Conditions of Appointment / Re-Appointment	Appointed as WTD for a period of three (3) years, w.e.f. 01/10/2022, liable to retire by rotation.
Details of Last Remuneration Drawn (FY 2022-23)	Rs. 30,00,000
Details of Proposed Remuneration	-
Nature of Expertise / Experience	More than 19 years of experience in the business of chemicals and engineering.
Names of Listed Entities in Which Directorship is held	HLE Glascoat Limited
Names of Listed Entities from which resigned in the Past Three Years	NIL
Names of Listed Entities in which Membership of Committees of the Board is held	NIL
No. of share held	92,97,900 equity shares of face value of Rs. 2
No. of Board Meetings attended	5
Relationship with other Directors/ KMPs	He is son of Mr. Himanshu Patel, First Cousin of Mr. Aalap Patel and Nephew of Mr. Nilesh Patel, who are the Directors of the Company w.e.f. 31st December, 2016.
Pecuniary Relations with the Company	Following companies/ entities, in 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 M/s HL Equipments Yashashvi Rasayan Private Limited Yash Speciality LLP

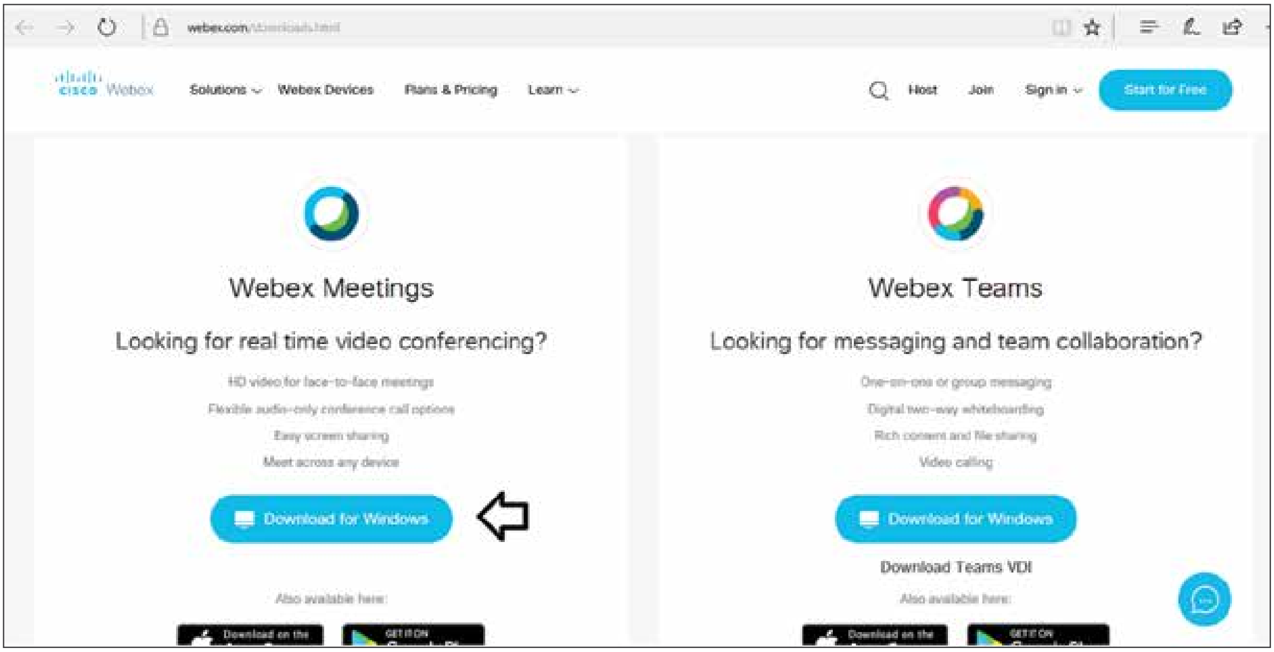
Name of the Director	Mr. Jayesh Vastupal Shah
DIN	03570056
Date of Birth	06/04/1964
Date of Appointment	03/11/2023 (date of first appointment 03/11/2018)
Qualifications	-
Terms & Conditions of Appointment / Re-Appointment	For second term of five (05) years and not liable to retire by rotation
Details of Last Remuneration Drawn (FY 2022-23)	Nil
Details of Proposed Remuneration	Nil (except sitting fees, as may be approved by the Board from time to time, in compliance with the provisions of the applicable laws.)
Nature of Expertise / Experience	Mr. Jayesh Shah possesses rich working experience of over 35 years in Marketing and Administration.
Names of Listed Entities in Which Directorship is held	HLE Glascoat Limited
Names of Listed Entities from which resigned in the Past Three Years	Nil
Names of Listed Entities in which Membership of Committees of the Board is held	HLE Glascoat Limited: - Member of Audit Committee, Stakeholders Relationship Committee and Nomination& Remuneration Committee
No. of share held	NIL
No. of Board Meetings attended	Four (04)
Relationship with other Directors/ KMPs	NA
Skills And Capabilities required for the Role and Manner of meeting those requirements	- Operational Experience - Sales and Marketing - Human Resources and - Administration skills

Annexure

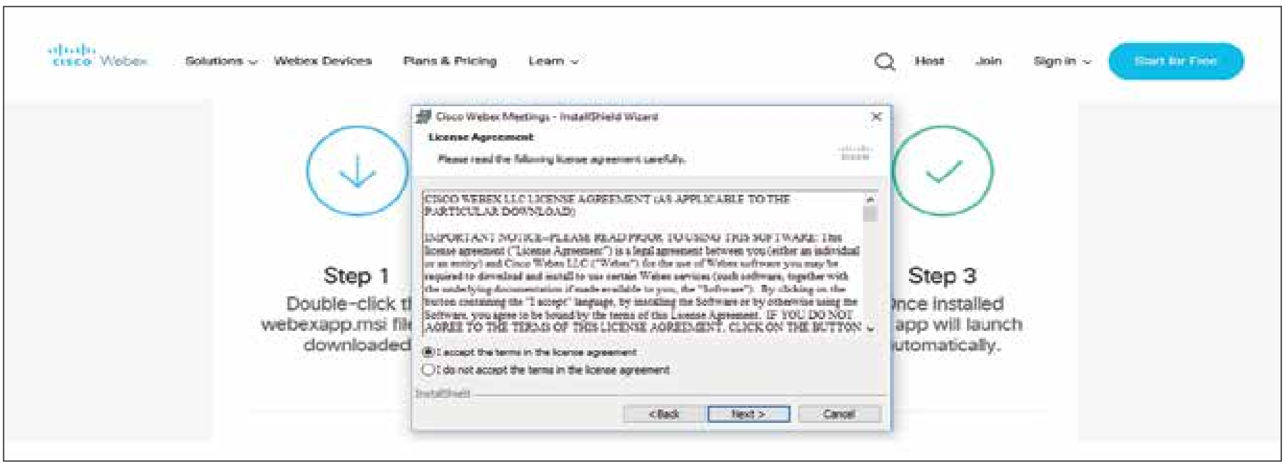
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

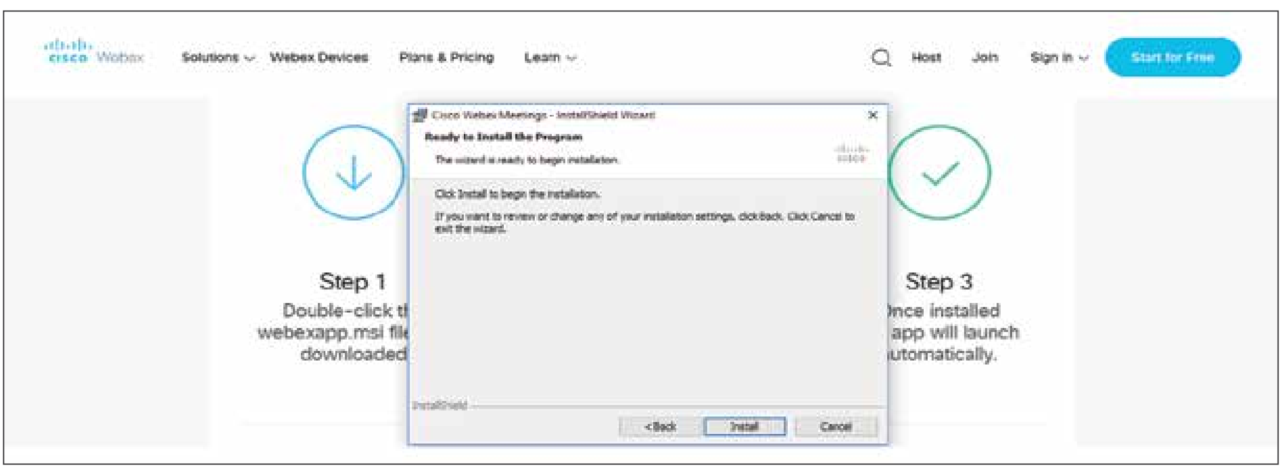
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

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



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





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:

Board's Report

Dear Members,

Your directors are pleased to present the 32nd Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

- ## FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

PARTICULARS	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	93,152.21	65,221.82	64,946.44	50,848.93
Other Income	805.16	775.70	1,165.65	1,358.33
Total Income	93,957.37	65,997.52	66,112.09	52,207.26
Profit before Finance Costs, Depreciation, Exceptional Items, Extraordinary Items and Tax	14,507.30	11,762.92	10,633.17	10,129.87
Less: Finance Costs	2,304.61	1,297.64	2,154.59	1,123.84
Profit before Depreciation, Exceptional Items, Extraordinary Items and Tax	12,202.69	10,465.28	8,478.58	9,006.03
Less: Depreciation/ Amortisation/ Impairment	2,269.88	1,122.58	1,257.30	909.18
Profit before Exceptional Items, Extraordinary Items and Tax	9,932.81	9,342.70	7,221.28	8,096.85
Less: Exceptional Items and Extraordinary Items	0.00	911.42	0.00	0.00
Profit before Tax	9,932.81	8,431.28	7,221.28	8,096.85
Less: Current Tax, net of earlier year adjustments	2,593.21	2,568.77	1,564.73	1,883.82
Less: Deferred Tax	358.95	39.17	214.27	36.55
Profit after Tax for the financial year (A)	6,980.65	5,823.34	5,442.28	6,176.48
Profit for the financial year from Continuing Operations	7,081.20	6,067.10	5,542.83	6,420.24
Profit for the financial year from Discontinuing Operations	(100.55)	(243.76)	(100.55)	(243.76)
Profit for the financial year (A)	6,980.65	5,823.34	5,442.28	6,176.48
Total Other Comprehensive Income/ Loss (B)	1,018.07	(53.82)	0.76	38.60
Total Comprehensive Income for the financial year (A+B)	7,998.72	5,769.52	5,443.04	6,215.08
Earnings Per Share (EPS in Rupees)				
From Continuing Operations				
Basic	10.37	8.89	8.12	9.40
Diluted	10.37	8.89	8.12	9.40
From Discontinuing Operations				
Basic	(0.15)	(0.36)	(0.15)	(0.36)
Diluted	(0.15)	(0.36)	(0.15)	(0.36)

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

The Company completed the acquisition of 100% shareholding in Thaletec GmbH, Germany on 17th December, 2021 and the financial information for FY2022 includes the performance of Thaletec GmbH and its wholly owned subsidiary Thaletec Inc., USA for the period commencing from that date.

BUSINESS OVERVIEW

During the year under review (FY2022-23), the world grappled with overlapping crises. The geo-political situation kept the global economy stressed due to supply chain disruptions and the liquidity crunch in the global banking system. Various developed economies witnessed recessionary conditions. However, despite these uncertainties, the Indian economy has proven to be quite resilient. India also faced its own set of challenges, including the increase in interest rates and higher inflation. However, the overall Indian industry remained stable and is progressing well.

During FY2022-23, the consolidated total revenues of the Company stood at Rs. 931.52 crores compared with Rs. 652.22 crores in the previous year (FY2021-22), registering a growth of 42.8% on a year-on-year basis. The filtration, drying and other equipment contributed approximately 37% of the revenue at Rs. 344.21 crores compared to Rs. 314.11 crores in the previous year, posting a growth of 9.6% on a year-on-year basis. The glass lined business contributed to the total revenue at Rs. 578.56 crores in FY2022-23 against Rs. 330.03 crores during the last year, a growth of 75.3% on a year-on-year basis. This also includes the full year impact of the consolidation of the Thaletec financials. The consolidated EBITDA for the year was Rs. 145.07 crores compared with Rs. 117.63 crores, a growth of 23.3% year-on-year. The Company reported EBITDA margins of 15.6% against 18.0% of FY2021-22. The consolidated PAT stood at Rs. 69.81 crores compared with Rs. 58.23 crores, a growth of around 19.9% year-on-year.

During recent times, the key end users of the Company's products viz. the Agrochemical, Specialty Chemical, Dyes, Pigment and the Active Pharmaceutical Ingredient manufacturers continued to grow, albeit at a lower rate. The order book of the Company for both the businesses continues to remain strong and this portends well for your Company's prospects in the foreseeable future. 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.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Thaletec, GmbH and Thaletec Inc., USA

THALETEC GmbH ("Thaletec") (a company incorporated in Germany) is a wholly owned subsidiary of the Company; and Thaletec inturn has a wholly owned subsidiary, Thaletec Inc., USA.

As per the requirements of Section 129(3) of the Act, a statement containing salient features of the financial statements of subsidiary companies in Form AOC-1 is annexed hereto in **Annexure-I** and form part of this Report

The Financial Highlights of Thaletec is as under:

Financial highlights

Particulars	2022-23	2021-22*
Total Income	28,352.46	7,634.18
Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income)	4,746.87	1,230.35
Profit Before Tax (after adjusting Other Comprehensive Income)	3,968.96	992.99
Profit After Tax (after adjusting Other Comprehensive Income)	2,781.05	698.04
Total Assets	18,982.00	16,561.49
Equity Share Capital	303.71	284.41
Other Equity	7,087.99	4,541.73
Total Equity	7,391.70	4,826.14

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

The Company completed the acquisition of 100% shareholding in Thaletec GmbH, Germany on 17th December, 2021 and the financial information includes the performance of Thaletec GmbH and its wholly owned subsidiary Thaletec Inc.,USA for the period commencing from that date.

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.

Your Company's subsidiary Thaletec's revenue from operations for the year 2022-23 was Rs.28,102.21 lakhs compared to Rs.7,555.10 lakhs during the previous year.

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

H L Equipments is a Partnership Firm, in which your Company owns 99% ownership interest.

The Firm achieved a sales turnover of Rs. 1670.09 lakhs (previous year Rs. 8633.32 lakhs) till May, 2022, incurred EBITDA loss of Rs. (60.56 lakhs) (previous year EBITDA profit of Rs. 1,237.59 lakhs.). Since Company's greenfield plant became operational from May, 2022 which is having considerably higher capacity and potential for future growth. The Firm gradually scaled down its operations and the manufacturing operations from its own plant.

• DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 1.10 (@ 55 %) per equity share of face value of Rs.2/- each for the financial year ended March 31, 2023. 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 dividend of Rs.0.38 on 9.50% non -convertible, cumulative, redeemable preference share (NCCRPS). The dividend is 9.50% of the paid-up value of Rs.4 per share, (Rs. 6 has been redeemed as per the terms of issue of NCCRPS).

• TRANSFER TO RESERVES

The Board of Directors of your Company have transferred 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, 2023 was Rs.14.78 crores, comprising of 6,82,65,480 equity shares of Rs.2 each, fully paid up and 18,75,152, 9.50% non-convertible cumulative redeemable preference shares (NCCRPS) having paid-up value of Rs. 4 per share (Rs. 6 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.

During the financial year, upon approval by the shareholders and completion of other regulatory procedures for the sub-division of equity shares, the equity share of face value of Rs. 10 (Rupees Ten) fully paid up has been sub-divided into 5 equity shares of face value of Rs. 2 (Rupees Two) fully paid-up with effect from October 19, 2022.

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 2022-23 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 has assigned its ratings with regards to the banking facilities enjoyed by your Company 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, OR INVESTMENTS - UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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 note no. 28(c) to the Financial Statements. Your Company has complied with the provisions of Sections 186 of the Act to the extent applicable, with respect to the loans and investments made.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year 2022-23 and in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Rules made thereunder:

- Dividend amounting to Rs.17.43 lakhs pertaining to the financial year 2014-15, 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.7.13 lakhs have been transferred to the IEPF Authority towards the final equity dividend declared for financial year 2021-22 at the Annual General Meeting held on September 1, 2022, for the 1,42,530 equity shares held by the IEPF Authority.

- 39,000 equity shares of Rs. 2 each have been transferred to the IEPF Authority after compliance of due procedures as prescribed and 12,500 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: Achal S Thakkar
Designation : Company Secretary and 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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 the same are in compliance with Section 188 of the Act and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No material contract or arrangement with related parties was entered into during the year under review. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

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 a 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 forms 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 forms 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, except Mr. Himanshu Patel, Managing Director, whose remuneration details is mentioned in the Corporate Governance Report. There being no other employees falling under the subject category, 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, exceeding two percent of the equity shares of the Company.

- **ANNUAL RETURN**

The Annual Return for the financial year 2022-23 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 & SUSTAINABILITY REPORT [BRSR]**

Pursuant to the provisions of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/ CFD/ CMD/10/2015 dated November 4, 2015 and the Business Responsibility & Sustainability 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, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act,2013 ("the Act") and other applicable provisions, if any, 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 at 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 a Risk Management Committee, having the following members:

a. Mr. Aalap Patel - Chairperson (Executive Director)

b. Mr. Sandip Randery - Member (Independent Director)

c. Mr. Yatish Parekh - Member (Independent Director)

During the year 2022-23, Three (03) Meetings were held on May 23, 2022, November 9, 2022 and February 11, 2023 wherein, all the major and important risks identified for the Company and relevant mitigation measures were reviewed and discussed.

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business 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) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

• DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Harsh Patel (DIN: 00141863), Whole-time Director, is retiring by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. The brief profile of Mr. Harsh Patel has been given in the Notice convening the Annual General Meeting.

Mr. Jayesh Shah (DIN: 03570056) have been appointed by the Board as an Independent Director w.e.f. November 03, 2018. It is proposed to appoint him as an Independent Director for a second term of five (5) years, commencing from November 03, 2023. The brief profile and other details have been given in the Notice convening the Annual General Meeting.

The day-to-day operations of your Company are managed by its Key Managerial Personnel ("KMP") viz. the Managing Director, Executive Director, the Chief Financial Officer and the Company Secretary. As required under the provisions of Section 203 of the Act, Mr. Himanshu Patel (DIN 00202312), Managing Director, Mr. Aalap Patel (DIN 06858672), Executive Director, Mr. Harsh Patel (DIN: 00141863), Whole-Time Director, Mr. Naveen Kandpal, Chief Financial Officer of the Company and Mr. Achal Thakkar, Company Secretary (w.e.f. May 10, 2022) are the Key Managerial Personnel of your Company as on the date of this Report.

Policy on Directors' Appointment and Remuneration, including Criteria for Determining Qualifications, Positive Attributes, Independence of a Director.

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 two meetings did not exceed 120 days. Five (5) Meetings of the Board of Directors of the Company were held during the year under review on May 23, 2022, June 6, 2022, August 10, 2022, November 9, 2022 and February 11, 2023.

• DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the Management. The Board of Directors of the Company have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. The Board is of the opinion that the Independent Directors possess the requisite qualifications, experience, expertise and they hold high standards of integrity. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and have also confirmed that their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs is in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

• PERFORMANCE EVALUATION OF THE DIRECTORS

During the financial year 2022-23, 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, 2023, has carried out the evaluation task of the entire Board, the Committees of the Board, the Chairman, the Managing Director, the Executive Director, the Whole-Time Director, the Non-Executive Director and the Independent Directors individually, for the period from January 1, 2022 to December 31, 2022. 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, 2023, 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, 2022 to December 31, 2022. The various criteria considered for the 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, 2023, 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, 2022 to December 31, 2022 and for the Whole-Time Director for the period from October 1, 2022 to December 31, 2022. 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, Executive Director and Whole-Time 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 the 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 2022-23, 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 Obligations and Disclosure Requirements) Regulations, 2015 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 behavior, 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 2022-23 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 blower officers are available on the Company's website: https://hleglascoat.com/wp-content/uploads/2021/04/WHISTLE-BLOWER.pdf.

- **DIVIDEND DISTRIBUTION POLICY**

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Board of Directors of the Company has adopted the Dividend Distribution Policy at its Meeting held on 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 31st Annual General Meeting to hold the office from conclusion of 31st Annual General Meeting to conclusion of 36th 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, 2023, forms part of the Annual Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

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

- **REPORTING OF FRAUDS**

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

- **SECRETARIAL 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 2022-23 in accordance with Section 204 of the Act. The Report on Secretarial Audit issued by the Secretarial Auditor for the financial year 2022-23, 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 Companies Act 2013, 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 2023-24. 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

M/s. 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 2022-23; and M/s. AKMK Associates, Chartered Accountants (Firm Registration No.: 136206W) had conducted the internal audit of your Company for the Maroli works and for the Silvassa Works for the financial year 2022-23.

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 M/s. CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) and M/s. AKMK Associates, Chartered Accountants (Firm Registration No.: 136206W) as the Internal Auditors, for the Anand works and the Maroli & Silvassa Works respectively for the financial year 2023-24.

The Company has received the consent from the respective firms for their said appointment.

- ## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 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 2022-23 of the said records was carried out by M/s. Nanty Shah & Associates, Cost Accountants (Membership No. 31497), the Cost Auditors 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 2023-24. The Company has received the consent from them for their re-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 2023-24 as per details provided in the Notice of the ensuing Annual General Meeting.

- ## LISTING REGULATIONS COMPLIANCE / LISTING ON NSE

During the year under review, the Company has also got its equity shares listed with National Stock Exchange of India Limited (NSE) w.e.f. February 9, 2023. Further, NSE had 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. There has been no penalty / stricture imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during last three financial years.

- ## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNAL

No significant and material orders were passed by the Regulators or the Courts or Tribunals during the year under review.

- ## PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

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

- ## GENERAL

  - During the year under review, there was no change in nature of business of the Company.
  - 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)

Date : May 29, 2023
Place : Maroli

ANNEXURE-I TO THE BOARD'S REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures
Part A Subsidiaries

(Information in respect of each subsidiary)

		Rs. In lakhs	Rs. In lakhs
1	Name of the subsidiary	THALETEC GmbH	THALETEC USA INC
2	The date since when subsidiary was acquired	17th December 2021	17th December 2021
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Jan 1, 2022 - Dec 31, 2022	Jan 1, 2022 - Dec 31, 2022
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting currency :- in EUR Exchange rate :- 89.6076 INR/1 EUR	Reporting currency :- in USD Exchange rate :- 82.2169 INR/1 USD
5	Share capital	134.42	169.30
6	Reserves and surplus	6,975.81	112.18
7	Total assets	18,928.62	324.13
8	Total Liabilities	11,818.39	42.65
9	Investments	166.62	0
10	Turnover	27,925.88	176.93
11	Profit before taxation	3,792.85	16.17
12	Provision for taxation	1,178.70	9.21
13	Profit after taxation	2,614.15	6.96
14	Proposed Dividend	662.29	Nil
15	Extent of shareholding (in percentage)	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations: Aforesaid subsidiaries have commenced operations. There is no other subsidiary, which is yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year: No subsidiary has been liquidated or sold during the year.

ANNEXURE-II TO THE BOARD'S REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and 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, 2023

(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:

- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on a regular basis.
- Continuously replacing inefficient equipment with the latest energy efficient technology and upgradation of equipment continually.
- Increasing the awareness of energy saving within the organization to avoid wastage of energy.
- Enhancing the utilization of Renewable Energy Resources with dedicated cell monitoring the generation and utilization.
- Achieving the power factor closer to unity in the Plant by effective reactive energy management.
- Reducing the Green House Emission by improving energy efficiency at the Plant.
- Few steps have been initiated during the financial year 2022-23, viz., Refurbishment and up-gradation of APFC panel for improvement of power factor, CFM & KWH meter installation process for monitoring consumption of Compressed Air helping 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 and Solar Panels at per details provided hereunder:

- One (1) Windmill with an installed capacity of 1.25 MW at Baradiya in Jamnagar, Gujarat in Financial Year 2009-10 and it has generated over 9.71 lakhs units in Financial Year 2022-23 which has been fully utilized during the period under review.
- Two (2) Windmills with an installed capacity of 250 KW each at Sujapur in Ratlam, Madhya Pradesh in Financial Year 2007-08 and their combined generation is 5.43 Lacs units in Financial Year 2022-23 which has been fully utilized during the period under review.
- Solar plant at Maroli works: KWH Generation 2.42 Lacs units in FY 2022-23.

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

None

(B) Technology Absorption, Adaption and Innovation-

(i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution;

- Recycling of water through water filtering system resulting into significant reduction of usage of water.
- Installation of Variable Frequency Drives (VFD) in various equipment and in-house development of electrical panels, resulting into significant reduction in failures and break-downs ultimately increasing the availability time of the equipment.
- Installation of wireless remotes in various equipment resulting into increase in safety of the workmen and also reduction in failures and break-downs ultimately increasing the availability time of the equipment.
- Introduced the detailed preventive maintenance schedule with increased physical monitoring mechanisms helping in finding out gaps and converting the same in interlocking provisions, which results into improving reliability time.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Not Applicable.

(iii) The expenditure incurred on Research and Development:

Rs. 319.27 Lakhs.

(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)

	Particulars	2022-23	2021-22
1.	Total Foreign Exchange Outgo	4,044.48	2,924.07
2.	Total Foreign Exchange Earned	2,398.11	3,869.70

By the Order of the Board of
HLE Glascoat Limited

Himanshu Patel
Managing Director
(DIN: 00202312)

Aalap Patel
Executive Director
(DIN: 06858672)

Date : May 29, 2023
Place : Maroli

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 2022-23	Ratio of Remuneration to MRE^ for financial year	
		Excl. KMP	Incl. KMP
Managing Director	16.21	35.39	35.24
Executive Director	17.83	28.70	28.58
Whole time Director*	NA	11.24	11.19
Company Secretary**	151.21	5.89	5.86
Chief Financial Officer**	90.64	18.48	18.40

Median remuneration of employee	% change in median remuneration in
Excl. Remuneration of KMPs	1.52
Incl. Remuneration of KMPs	1.15

The remuneration provided herein is CTC to the Company.
^ Median Remuneration of Employee
* Not Applicable as this is a fresh appointment w.e.f 01.10.2022.
** Mr. Naveen Kandpal has been appointed as CFO w.e.f. 01.03.2022 and Mr. Achal Thakkar has been appointed as CS w.e.f. 10.05.2022 and hence, the total percentage increase in the remuneration of the CFO & CS in FY 2021-22 and FY 2022-23 are not directly comparable.

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 2022-23, 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, 2023	Excl. KMPs	Incl. KMPs
	537	542

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 2022-23
Average Salary of the employees (excl KMP)	8.25%
Average Salary of KMPs*	17.12%
Justification/ information of exceptional circumstances for increase in managerial remuneration	Not Applicable

By the Order of the Board of
HLE Glascoat Limited

Himanshu Patel
Managing Director
(DIN: 00202312)

Aalap Patel
Executive Director
(DIN: 06858672)

Date : May 29, 2023
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	Remu neration (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	Relation-ship with any Director or manager of the Comp-any
1	Vijaykumar Saini	VP - Operations	70.00	Permanant	BE Mechanical	December 1, 2021	52	Plasser India	0	None
2	Rohan Lele	VP - People Success	65.01		MHRM	August 1, 2022	40	Atul Ltd	0	
3	Bharat Dhanak	VP - Marketing	62.04		B.com, PG (IT)	October 5 2011	45	Standard Radiator Pvt Ltd	0	
4	Vaibhav Gokhale	VP - Sales & Marketing (South)	49.00		BE Mechanical, MBA Marketing	June 20, 2022	42	Praj Hipurity System Ltd	0	
5	Dinesh Chander	Sr. GM - Manufacturing	45.01		BE Mechanical, MBA Operation	August 29, 2022	51	GE Power India Ltd	0	
6	Yogesh Khairnar	GM-Marketing	36.93		BE Mechanical &Chartered Engineer from AIChE	December 16, 2019	48	IDMC Limited	0	
7	Dinesh Patel	GM - Production	36.82		Diploma Mechanical	April 1, 2020	51	ISGEC Hitachi Zosen Limited	0	
8	Santosh Bhatt	GM - Purchase	35.00		BE Mechanical	August 08 2022	51	Elecon Engineering	0	
9	Dr. Vijay Kute	GM - R&D	31.21		B. Sc. M. Sc. PhD	May 25, 2020	49	S H Kelkar& Co.	0	
10	Rajesh Lad	VP - Product Excellence	26.46		B.E Mechanical	August 01 2009	57	AspeePvt. Ltd.	0	

By the Order of the Board of
HLE Glascoat Limited

Himanshu Patel
Managing Director
(DIN: 00202312)

Aalap Patel
Executive Director
(DIN: 06858672)

Date : May 29, 2023
Place : Maroli

ANNEXURE-V TO THE BOARD'S REPORT

Business Responsibility and Sustainability Reporting

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L26100GJ1991PLC016173
2.	Name of the Listed Entity:	HLE Glascoat Limited
3.	Year of incorporation:	1991
4.	Registered office address:	H-106, GIDC Estate, V. U. Nagar – 388121, Dist. Anand, Gujarat
5.	Corporate address:	H-106, GIDC Estate, V. U. Nagar – 388121, Dist. Anand, Gujarat
6.	E-mail:	share@hleglascoat.com
7.	Telephone:	(02692) 236842 to 236845
8.	Website:	www.hleglascoat.com
9.	Financial year for which reporting is being done:	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed:	BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital:	INR 14,40,31,568
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Achal Thakkar, Company Secretary 02692-236842 share@hleglascoat.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of process equipment offering a range of solutions in drying and filtration technologies.	Manufacturing of special purpose machinery (Pressure Vessels – Filtration and Drying Equipment, Glass lined Equipment and other related equipment)	98.65%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of Special Purpose Machinery	28299	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	8	11
International	1	5	6

17. Markets served by the entity:

a. Number of locations.

Locations	Number
National (No. of States)	20
International (No. of Countries)	18

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.73 %.

c. A brief on types of customers.

The Company serves diverse set of customers in pharmaceutical (API) and chemical (Agrochemicals, Speciality Chemicals, Fine Chemicals, Dyes and Pigments, food etc.) sectors in India. The Company offers solutions are engineered to meet the process requirements of our customers with highest standards of quality and service delivery. In chemical, pharmaceutical, and related sectors, the Company provides a spectrum of product solutions for storage, reaction, heat transfer, distillation and solid-liquid separation. With dynamic product portfolio, the Company serves clients from different industries viz., food, pharmaceutical, nutraceutical, marine, etc.

IV. Employees

18. Details as at the end of Financial Year:

A. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	576	546	94.79%	30	5.21%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total employees (D + E)	576	546	94.79%	30	5.21%
WORKERS						
4	Permanent (F)	166	166	100.00%	0	0.00%
5	Other than Permanent (G)	1442	1441	99.93%	1	0.07%
6	**Total workers (F + G)**	1608	1607	99.94%	1	0.06%

B. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	3	3	100.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total employees (D + E)	3	3	100.00%	0	0.00%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	2	2	100.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	**Total workers (F + G)**	2	2	100.00%	0	0.00%

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	5	0	0.00%

20. Turnover rate for permanent employees and workers:

	FY 23			FY 22			FY 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	31%	21%	15%	26%	15%	12%	4%	12%
Permanent Workers	10%	-	10%	16%	-	16%	22%	-	22%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	M/s. H L Equipments	Subsidiary	99%	No
2.	Thalectec GmbH, Thale, Germany	Subsidiary	100%	No
3.	Thaletec Inc., USA	Step down subsidiary (A wholly owned subsidiary of Thaletec GmbH and hence, also subsidiary of HLE Glascoat Limited)	100% (through Thaletec GmbH)	No

VI. CSR Details

22. Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes.

a. **Turnover (in Rs.):** INR 64,946.44 Lakhs.

b. **Net worth (in Rs):** INR 32,892.50 Lakhs.

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 23			FY 22		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	The complaints received are addressed fairly and transparently and pending complaints are resolved in next reporting cycle	0	0	The complaints received are addressed fairly and transparently and pending complaints are resolved in next reporting cycle
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	22	0		7	0	
Employees and workers	Yes	0	0		0	0	
Customers	Yes	129	19		75	3	
Value Chain Partners	Yes	0	0		0	0	
Other (please specify)	NA	NA	NA		NA	NA	

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions Management	Risk	Emissions Management at the Company encompasses a strategy aimed at minimizing the intensity of greenhouse gases and carbon footprint of operations.	The Company takes up various energy efficiency initiatives and is actively adopting renewable energy sources aimed at reducing the carbon footprint of business.	Negative
2	Water Management	Risk	Proactive water management aligns with the commitment to corporate citizenship, mitigating risks, supporting communities, and ensuring long-term environmental sustainability.	Water Stewardship practices at the Company includes reduction in freshwater withdrawal, waste water treatment and disposal creating a positive societal impact.	Negative
3	Waste Management	Risk	Addressing waste generation and disposal enables the company to minimize the ecological footprint, optimize operations, and adhere to regulatory requirements, fostering a greener and more responsible approach to business.	The Company follows a robust approach for waste management including 3R approach enhancing operational efficiency with optimal utilisation of resources.	Negative
4	Product Safety & Quality	Opportunity	Ensuring the safety and quality of products is paramount to building trust with customers, maintaining compliance with industry standards, and safeguarding the reputation and success of the organization.	-	Positive
5	Human Capital Development	Opportunity	Nurturing a skilled and motivated workforce enhances operational efficiency, innovation, and adaptability. By investing in employee growth, training, and well-being, the Company aims to foster a culture of excellence, drive business growth, and create a sustainable future for organization.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Privacy and Data Management	Risk	Safeguarding customer and stakeholder data is essential to maintain trust and uphold reputation.	The Company is implementing robust data protection measures and is adhering to privacy regulations, prioritising the security and confidentiality of sensitive information, ensuring sustainable relationships with the stakeholders.	Negative
7	Labour Management	Risk	Ensuring fair and ethical treatment of employees fosters a positive work environment, enhances productivity, and strengthens employee loyalty.	The Company is adhering to labour laws, promoting diversity and inclusion, and providing opportunities for growth, aiming to create a sustainable and harmonious workforce.	Negative
8	Chemical Safety	Risk	Proper management of chemicals is essential for ensuring workplace safety, regulatory adherence, and minimising environmental risks.	The Company prioritises responsible chemical handling and disposal, upholding the commitment to sustainable practices and maintaining stakeholder trust.	Negative
9	Corporate Governance	Risk	Strong corporate governance fosters transparency, accountability, and ethical decision-making.	The Company adheres to highest standards of corporate governance with effective risk management practices leading to continued stakeholder trust and long-term value creation	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.hleglascoat.com/corporate-governance/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle.	- ASME Accreditation - Authorized to use ASME 'U', 'NB' and 'R' Stamps for pressure vessels. - CE Compliance - Designing and manufacturing in compliance with CE as per Pressure Equipment, ATEX, Machinery, Electromagnetic, Low Voltage and other Directives - JIS Compliance - Designing and manufacturing in compliance with 'JIS' - ISO 9001:2015 - ISO certification. - EAC Certification - Certified for manufacturing pressure vessels as per the Russian Directives - L R Marine Certification – Certified for manufacturing pressure vessels for Marine Applications. - Indian Register of Shipping Certification - Certified for manufacturing pressure vessels for Marine Applications. - American Bureau of Shipping – Manufacturing in compliance with ABS Standards								
5. Specific commitments, goals and targets set by the company with defined timelines, if any.	None								
6. Performance of the company against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG challenges, targets and achievements (listed company has flexibility regarding the placement of this disclosure)	Dear Stakeholders, I am delighted to present the remarkable sustainability performance achieved by HLE Glascoat Limited during FY 2022-23, as showcased in our maiden comprehensive Business Responsibility and Sustainability Report. In a rapidly evolving business landscape, our unwavering commitment to sustainability has empowered us to surmount diverse challenges. Our steadfast dedication to sustainability has yielded significant results, setting the stage for further advancements. It is imperative to recognize the pivotal role played by our internal stakeholders in propelling HLE Glascoat's sustainability vision. Their dedication and passion have propelled our journey to new heights, underscoring the integral link between sustainability and our overarching business strategy.								

Furthermore, we commend the strategic initiative to establish a unified platform for disclosing our Environmental, Social, and Governance (ESG) performance to regulatory bodies and stakeholders. This transparent and proactive approach not only demonstrates our accountability but also resonates with our commitment to foster trust and partnership with all those invested in our journey. The Company has established a transparent employee redressal mechanism to ensure a fair and just working environment.

The Company is extremely conscious about its operational footprint and is promoting the use of Renewable Energy (RE) and will explore installation of solar panels across its operations to reduce GHG emissions. The Company has also deployed renewable power (wind mills) in the operations. Apart from this Company has implemented several energy-saving initiatives including the installation of air compressors with PM Motor and VFD, VRV Acs in place of split ACs, etc.

We are a sensitive Company and pay heed to the needs of differently abled employees to help them thrive in the mainstream and perform with full efficiency. We are also extremely conscious about our water management practices and all our three business units have implemented the ZLD mechanism.

As we celebrate our achievements in sustainability, we remain resolute in our pursuit of excellence, aiming to set new benchmarks and continually enhance our positive impact on the world around us. We are hopeful that you would continue to support us wholeheartedly always to achieve new landmarks in our sustainability journey.

Sincerely,

Managing Director

8. Details of the highest authority responsible implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors holds the responsibility of overseeing and implementing the Business Responsibility policies. Subsequently, the Executive Director, along with the respective senior managerial team, is entrusted with executing and overseeing these policies under the guidance of the Board of Directors.
9. Does the company have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	No, the Company do not have a separate committee, however, the Executive Director and Whole-time Director assisted by senior management team oversee the management of sustainability related matters across the organisation. The respective personnel periodically evaluate the effectiveness of internal systems for the management of sustainability-related issues like Employee health and Safety, Employee Well-being, Environmental Management Systems, Customer Relationship Management, etc.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically								
Compliance with statutory requirements of relevance to the principles and rectification of any non – compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide the name of the agency.

No.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the principles material to its business (Yes/No)	Not Applicable								
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The Company does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	During the reporting year, the Board of Directors and its various committees are provided with comprehensive updates on a wide range of topics, including performance, operations, risk assessment, compliance, governance and significant regulatory changes. KMPs are also a part of these meetings.		100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	Periodically, employees and workers participate in a range of training programs including occupational and non-occupational training, skill development sessions, compliance and regulatory changes training, as well as human rights and Code of Conduct related sessions.		100%
Workers			100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	None	NA	NA	NA	NA
Settlement	None	NA	NA	NA	NA
Compounding fee	None	NA	NA	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	NA	NA	NA
Punishment	None	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Not Applicable.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

The Company is committed to conduct business adhering to highest standards of ethics, honesty, integrity and transparency. The Company has established Whistle-blower/ Vigil Mechanism policy to allow employees to report concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. In addition, the Company's Code of Conduct which discourages any act of bribery, corruption, gifts, payments or any kind of consideration solicited from or given to any person, to secure advantage in business transactions/dealings. The Code of Conduct is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel. All employees and workers are apprised on Company's Code of Conduct and policies during induction and periodically.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 23	FY 22
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. **Details of complaints with regard to conflict of interest:**

	FY 23		FY 22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	Not Applicable	None	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None	Not Applicable	None	Not Applicable

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

None.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
5 in Anand plant 3 in Silvassa plant	Suppliers and other vendor partners participated in various awareness sessions summarising the aspects on Economics of resource alternatives, Quality Enhancement, sustainable and low-impact alternatives, new component development etc.	5% in Anand plant 7.5% in Silvassa plant

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

The Company has established robust processes to prevent and manage conflict of interest situations. These processes involve thorough disclosure requirements for employees and key stakeholders to identify any potential conflicts, employee sensitisation programmes on code of conduct an ethical practice etc. These measures ensure the transparency and fairness maintaining the Company's integrity, fostering a culture of trust, and safeguarding stakeholders' interests.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 23	FY 22	Details of improvements in environmental and social impacts
R&D	Given the B2B focus, specifications of the products manufactured are driven by the end-client requirements so the Company does not engage in any standalone R&D activity. The Company has come up with first of its kind designs and process applications which meets the customer's end use expectation.		
Capex	0.02%	0.05%	The Company has made investments in solar energy and energy conservation technology to minimize its environmental impact and transition towards low-carbon economy

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No. The Company expects the suppliers, contractors and other vendor partners to adhere to highest ethical standards and are required to comply with all applicable regulations relating to labour laws, safety, service delivery etc.,

b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

None. The Company adopts robust mechanisms to efficiently handle, manage, recycle and dispose the wastes generated throughout its operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. Extended Producer Responsibility (EPR) is not applicable to the Company.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

   No, the Company has not conducted Life Cycle Assessments for any of its products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 23	FY 22
None	Not Applicable	Not Applicable

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 23			FY 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste			NIL			
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
None	Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A	Number (C)	% (C / A)	Number (D	% (D / A	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	546	202	37%	202	37%	-	-	0	0%	0	0%
Female	30	10	33%	10	33%	30	100%	-	-	0	0%
Total	576	212	37%	212	37%	30	5%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A	Number (C)	% (C / A)	Number (D	% (D / A	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	166	0	0%	166	100%	-	-	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	-	-	0	0%
Total	166	0	0%	166	100%	0	0%	0	0%	0	0%
Other than Permanent workers											
Male	1441	0	0%	1441	100%	-	-	0	0%	0	0%
Female	1	0	0%	1	100%	0	0%	-	-	0	0%
Total	1442	0	0%	1442	100%	0	0%	0	0%	0	0%

2. Details of retirement benefits.

Benefits	FY 23			FY 22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplace

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, In line with the Rights of Person with Disabilities Act, 2016, the premises / offices of the Company are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is an equal opportunity employer, providing diverse and inclusive workplace for all individuals including differently abled person. The Company has implemented various systems, processes, policies to ensure their full participation and integration within the organisation thereby facilitating their well-being and promoting professional growth.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	0%	-	-
Total	**100%**	**0%**	-	-

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. The Company has set up daily TBT, suggestion boxes and complaint boxes at all plant area to receive and redress grievances from employees and workers.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity.**

Category	FY 23			FY 22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	576	212	37%	464	178	38%
Male	546	202	37%	442	168	38%
Female	30	10	33%	22	10	46%
Total Permanent Worker	166	46	28%	178	49	28%
Male	166	46	28%	178	49	28%
Female	0	0	0%	0	0	0%

8. **Details of training given to employees and workers:**

Category	FY 23					FY 22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	546	546	100%	546	100%	442	442	100%	442	100%
Female	30	30	100%	30	100%	22	22	100%	22	100%
Total	576	576	100%	576	100%	464	464	100%	464	100%
Workers										
Male	1607	1607	100%	1607	100%	1332	1332	100%	1332	100%
Female	1	1	100%	1	100%	0	0	100%	0	100%
Total	1608	1608	100%	1608	100%	1332	1332	100%	1332	100%

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 23			FY 22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	546	546	100%	442	442	100%
Female	30	30	100%	22	22	100%
Total	576	576	100%	464	464	100%
Workers						
Male	1607	1607	100%	1332	1332	100%
Female	1	1	100%	0	0	100%
Total	1608	1608	100%	1332	1332	100%

10. Health and safety management system:

1. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

   Yes, the Company places a high priority on cultivating a culture that prioritizes the safety and well-being of employees and stakeholders. The Company has implemented a comprehensive and robust Occupational Health and Safety (OHS) management system across all business operations. Through this system, the Company ensures that every worker and employee is protected from any potential high-incident injuries related to their work. The Company's commitment to OHS management aims to create a safe and healthy working environment for everyone associated with the organization.

2. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

   At the Company, the health and safety of employees is of utmost importance, contributing significantly to the Company's overall success. The health and safety policy incorporates a dynamic process for identifying and assessing safety-related risks and work-related hazards on both routine and non-routine bases. For routine activities, the Hazard Identification and Risk Management (HIRA) system plays a vital role in identifying safety and work-related risks through a daily monitoring/ daily observation system. Meanwhile, a permit system is implemented for non-routine activities, ensuring thorough assessments and necessary precautions are taken.

3. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N):**

   Yes. The Company has a well-established safety and hazard incident reporting and management system which involves the reporting of potential hazards occurring at the workplace. The Company takes adequate measures to prevent and eliminate such risks. The workers can report the grievances relating to safety through various systems set up to ensure the safety of the workplace, including the Near Miss reporting system, the Safety Committee and Daily reporting system (UA/UC).

4. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No):**

   Yes. In alignment with the Company's health and safety management system, the Company focuses on enhancing the health and well-being of workforce. The Company facilitates seamless access to non-occupational health care and medical services is provided and established a partnership with hospitals to ensure medical assistance in case of work-related accidents or injuries. Health cards are offered to workmen and their family members, along with health insurance coverage. To facilitate routine medical care, a medical centre has been established in collaboration with doctors. Moreover, the Company organized a COVID vaccination camp to assist employees and workers in battling through the unprecedented times.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 23	FY 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.59	0
	Workers		
Total recordable work-related injuries	Employees	1	0
	Workers	6	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Ensuring Health and safety for workers and employees is deeply ingrained in corporate philosophy. The Company takes up various programmes to prevent accidents, illness, injuries, etc. Some of the corrective measures undertaken by the Company to mitigate and eliminate work-place injuries include the following. For more details refer to Principle 3.

- Shop floor training and classroom training, in order to increase awareness among all categories of employees.

- Conduct evacuation drills, mock drills and workplace monitoring on a regular basis.
- Incorporation of ERP system with ERT for immediate and proper response during emergency.

13. Number of Complaints on the following made by employees and workers:

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	-	-	Nil	-	-
Health & Safety	Nil	-		Nil	-	

14. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	All plants and offices of the Company were assessed for Health & Safety and working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

None

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

Yes. The Company provide Group Personal Accident (GPA) insurance policy for the employees and workers in the event of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company conducts monthly reviews of the Wage Register and PF Contributions provided by the personnel supply. In cases where GST payments are not made or not reflected on the GST Portal, prompt action is taken to expedite the GST filing by the Material Supplier. The finance department closely monitors the vendors' statutory dues, including GST payments, through government websites. If any default is detected, vendors are notified via email requesting timely payment. In situations where vendors do not respond to emails, appropriate legal actions are initiated on a case-by-case basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable as there were no high consequence work-related injury/ill-health/fatalities.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	The Company expects all its value chain partners like suppliers and contractors to adhere to various regulatory requirements including safety laws and labour conditions

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

Not Applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company has established well-defined processes for identifying key stakeholder groups that have a significant interest in its operations and are directly impacted by its activities. Through comprehensive stakeholder mapping exercises, the organization identifies and prioritizes various stakeholders, including employees, customers, investors, suppliers, regulators, local communities, and NGOs on the basis of level of significance the stakeholder exerts on daily operations. The Company has established various communication channels as detailed in Question 2. The Stakeholder and Relationship Committee ensures that an effective self-regulatory mechanism exists to protect the interest of respective stakeholders. By actively involving and understanding the perspectives of these key stakeholders, the Company makes informed decisions and develop strategies that align with their interests while fostering a culture of transparency and trust.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Newspaper, Advertisement, Website, Investor Calls	Monthly/quarterly/ annually / event-based	Business performance, Financial Results, Statutory requirements and compliances, etc.
Employees	No	Email, SMS, Pamphlets, Notice Board, Website, face to face meetings	Regularly / From time to time	Policies, Business Objectives, Achievements, awards, employee engagement, well-being and training initiatives.
Customers	No	Email, SMS, Newspaper, Brochures, Advertisement, Website	Regularly / From time to time	New product development, Product Safety and Quality, Service Offerings
Suppliers	No	Email, SMS, Newspaper, Advertisement, Website	Regularly / From time to time	Raw Material requirements, Product Quality, Supplier Compliance
Local Communities	No	Focussed Group Discussions, One -to-One Meetings	Need based	Community development programmes
Government	No	Email, Regulatory Compliance documents, prescribed Form filings and reporting	Regularly / From time to time	Regulatory filings, Compliances, Requisite approvals, etc.
Banks/ Financial institutions	No	Email, Website	Regularly / From time to time	Banking requirements, compliances, etc.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has a Stakeholders' Relationship Committee as well as other various Committees, viz. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee ensures the open and transparent process for addressing the stakeholder concerns relating to economic, environmental and social topics. Stakeholders' concerns are regularly reported to the committee for consideration, while the Company's policies and actions are shared as input for the stakeholders. The insights from these consultations have played a vital role in setting strategies, business objectives and making informed decisions.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

No.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

At the Company, the community grievances and concerns are given due importance and addressed. In addition, the Company through its CSR initiatives ensures the well-being of marginalised/vulnerable stakeholder groups.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	576	576	100%	464	464	100%
Other than permanent	0	0	0%	0	0	0%
Total Employees	576	576	100%	464	464	100%
Workers						
Permanent	166	166	100%	178	178	100%
Other than permanent	1442	1442	100%	1154	1154	100%
Total Workers	1608	1608	100%	1332	1332	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 23					FY 22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	546	21	4%	525	96%	442	0	0%	442	100%
Female	30	4	13%	26	87%	22	0	0%	22	100%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	166	12	7%	154	93%	178	9	5%	169	95%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	1441	419	29%	1022	71%	1154	356	31%	798	69%
Female	1	0	0%	1	100%	0	0	0%	0	0%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Employees other than BoD and KMP	596	INR 3,19,156	34	INR 2,29,102
Workers	179	INR 1,98,606	0	0

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Company has established a transparent employee grievance redressal mechanism where employees and workers are encouraged to report any grievances or concerns relating workplace safety, discrimination etc. The HR department takes the ultimate responsibility to resolve the employee grievance fairly and transparently and ensure strict adherence to human rights guidelines and standards across the organisation. Suggestion boxes are placed across all units for employees to place their grievances.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

Yes. At the Company, the Company has well-defined internal mechanism to redress grievances related to human rights issues. All grievances received from workforce including human rights issues are ensured to treated transparently in line with the structured approach outlined by management.

6. **Number of Complaints on the following made by employees and workers:**

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	None	None	-	None	None	-
Discrimination at workplace	None	None	-	None	None	-
Child Labour	None	None	-	None	None	-
Forced Labour/Involuntary Labour	None	None	-	None	None	-
Wages	None	None	-	None	None	-
Other human rights related issues	None	None	-	None	None	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company adheres to strict policies and guidelines to prevent discrimination and promote a culture of inclusivity and equal opportunity for all employees and workers. The Company believes in gender equality and does not tolerate any kind of discrimination on any grounds of sex, colour, race, ethnicity etc., The Company encourages employees to report any concerns or matters without fear of retaliation, ensuring that they are not subjected to any disadvantage. Confidentiality is maintained wherever required during the process of addressing such issues, emphasizing the commitment to providing a safe and supportive environment for employees to raise their concerns openly.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human rights requirements form a part of our business agreements and contracts.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    NIL.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has conducted business responsibly upholding the basic human rights standards eliminating the need for modification of any business processes on account of human rights grievances/complaints.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   The Company diligently conducts regular audits to ensure responsible business conduct, guaranteeing that no child labour, forced labour, discrimination or unsafe working conditions are present. For more details on scope and coverage of human rights due-diligence, refer to Principle 3 and Principle 5.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, in compliance with the Rights of Persons with Disabilities Act, 2016, the Company ensures that all its premises and offices are accessible to differently abled employees and workers.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects all its vendors, suppliers and other value chain partners to adhere to ethical standards, labour laws, safety laws, human rights for continued engagement with the Company.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   None.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 23	FY 22
Total electricity consumption (A)	GJ	74731.25	66999.02
Total fuel consumption (B)	GJ	33225.97	480.72
Energy consumption through other sources (C)	GJ	-	-
Total energy consumption (A+B+C)	GJ	107957.22	67479.75
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	GJ/Million Rupees	16.62	13.27
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*The company derives energy from various fuel sources including diesel and natural gas. Diesel consumption in company owned vehicles is included in FY 2023.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 23	FY 22
Water withdrawal by source (in kilolitres)		
(i) Surface Water	**3826**	1599.75
(ii) Ground Water	**5135**	3560
(iii) Third Party Water	**NIL**	NIL
(iv) Seawater / desalinated water	**NIL**	NIL
(v) Others	**NIL**	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**8961**	5159.75
Total volume of water consumption (in kilolitres)	**8961**	5159.75
Water intensity per rupee of turnover (Water consumed / turnover in lakhs)	**0.14**	0.10
Water intensity (optional) – the relevant metric may be selected by the entity	**NIL**	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   All three units of the Company are Zero Liquid Discharge plants demonstrating an exceptional ability to recover and recycle all the wastewater generated during their operations, leaving behind no liquid discharge. The Company has also set up a septic system to manage domestic wastewater.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   The Company will report air emission related parameters from next reporting cycle.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 23	FY 22
Total Scope 1 emissions (Break-up of GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric Tons of CO2 equivalent	2070.09	42.84
Total Scope 2 emissions (Break-up of GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric Tons of CO2	16075.29	14138.06
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e/Million turnover in INR	2.79	2.79
Total Scope 1 and Scope 2 emissions intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Diesel in company owned vehicles is included from FY 2023

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, as a part of its sustainability commitment, the Company has taken various initiatives to minimise its greenhouse gas emissions as detailed in leadership indicator. The Company has also installed 180 kW Solar Panels. The Company has established a Windmill of 1.25 MW capacity at Baradiya in Jamnagar, Gujarat and two Windmills of 250kW capacity at Sujapur in Ratlam, Madhya Pradesh.

8. **Provide details related to waste management by the entity:**

The Company has generated 138478 MT of metal scrap waste in Maroli and Silvassa units which are sent to authorised recyclers. Through this, the Company ensures that the metal scrap waste is treated in environmentally sound process for transformation minimizing its impact on the ecosystem.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company have established a comprehensive waste management system that aims to reduce waste generation, promote recycling, and ensure proper disposal of non-recyclable waste. By implementing waste segregation at the source, the Company effectively manages different types of waste materials. Regular audits and assessments are conducted to monitor waste generation patterns and identify opportunities for improvement. Through various initiatives, such as promoting the reuse of waste materials including lubrication oil, eco-friendly packaging, encouraging employees to adopt sustainable practices, the company strives to minimize its environmental footprint and contribute to a cleaner and greener future. Their waste management practices align with their broader environmental goals and demonstrate their dedication to sustainable development and environmental stewardship.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

None of the entities/offices are located in/around the ecologically sensitive areas.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not Applicable.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the entity is compliant with all applicable environmental laws and regulations and there were no instances of non-compliance recorded in FY 2023.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	Unit	FY 23	FY 22
From renewable sources			
Total electricity consumption(A)	GJ	3285.50	4163.21
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	3285.70	4163.21
From non-renewable sources			
Total electricity consumption (D)	GJ	71445.75	62835.81
Total fuel consumption (E)	GJ	33225.97	480.72
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	104671.72	63316.53

*Diesel consumption in company owned vehicles is added from FY 2023

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

The Company did not conduct any water risk assessments in this reporting cycle.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company will report on Scope 3 emissions from next reporting cycle.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Not Applicable.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy Saving Initiative	Installation of Air compressors with PM motor and VFD	The initiative resulted in power savings of 10-15%
2.	Energy Saving Initiative	Installation of VRV Air conditioners in place of split ACs	Implementing energy-efficient measures led to substantial power savings, reducing both costs and environmental impact.
3.	Energy Saving Initiative	Modification of DG set network with two 320 KVA DG set instead of one DG set.	Single small capacity of DG set to power the plant during night shifts and weekly off days has led to significant fuel savings.
4.	Energy Saving Initiative	Maintaining a power factor 0.99+ of plant for DGVCL & Torrent power.	Reduced loss of energy

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company places significant emphasis on business continuity and disaster management plans as crucial elements of its risk management strategy. The Company has implemented a comprehensive business continuity plan to ensure the resilience and uninterrupted operation of critical business functions during emergencies or disruptive events. The Company has devised processes and plans to focus on preparedness, response and recovery measures in event of any disruptive events. The Company conducts regular mock drills and fire drills to assess the efficacy of internal systems and sensitise the employees, workers and other occupants on emergency measures. The Company will ensure to maintain the robust systems to ensure continuity and resilience to protect the well-being of employees, customers and other stakeholders under challenging circumstances.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No, there are no significant adverse impacts to the environment, arising from the value chain of the entity.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Nil.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   None.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

   Not Applicable.

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable as there were no instances of competitive behaviour exhibited by the Company.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   The Company did not engage in any policy advocacy activities during the reporting year.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

   Nil, the Company did not conduct any Social Impact Assessments in the reporting year.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable as there are no ongoing Rehabilitation and Resettlement activity undertaken by the company.

3. **Describe the mechanisms to receive and redress grievances of the community:**

   At the Company, the Company prioritizes open and transparent communication all stakeholders including community, and the Company has established a robust grievance redressal mechanism including complaints and feedback channels to receive and address any concerns or grievances the community may have. The Company believes in fostering strong relationships with the community and recognizes their invaluable role as stakeholders in the operations.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 23	FY 22
Directly sourced from MSMEs/ small producers	34.67%	35.46%
Sourced directly from within the district and neighbouring districts	51.55%	49.52%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Gujarat	Navsari	95,28,355

3. 1. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No.

2. **From which marginalized /vulnerable groups do you procure?**

Not Applicable.

3. **What percentage of total procurement (by value) does it constitute?**

Not Applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable.

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Clinic at Nadod Village	3634	100%
2.	Charity for Local Community	500	100%
3.	Charity for Education	100-150	100%
4.	Charity for Medical	250-300	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company sets a high priority on responding to and resolving customer complaints and feedback. To achieve this, dedicated sales and service personnel ensures seamless and expeditious resolving of customer complaints received via email, phone calls to Sales and Service Personnel, etc. The dedicated team at the Company diligently reviews and investigates complaints and provide optimal resolutions. The Company believes in providing best in class customer service and aim to resolve complaints to the satisfaction of all parties involved.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	NIL

3. Number of consumer complaints in respect of the following:

	FY 23		Remarks	FY 22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	The pending grievances will be resolved in next reporting year (FY 2024) with utmost customer satisfaction	0	0	The Company resolved the pending complaints in next reporting cycle (FY 2023)
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	6	0		3	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other (Quality Complaints in the Equipment under Warranty Period)	123	19		72	3	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	12	Manufacturing defect (Main body except nozzle face)
Forced recalls	NIL	NIL

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company is a B2B company and do not offer products for sale online. However, the Company is committed to protecting the customer's data from various attacks leading to data breaches. The Company has a well-established and robust systems with necessary protection for ensuring data security.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on the Company's products and services of the entity can be accessed at www.hleglascoat.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

At the Company, the company offers a care program based on customer requests. The program includes explanations of Do's & Don'ts as well as other essential technical information. Furthermore, the Company supplies customers with an installation and service manual alongside the equipment. The Company is committed to deliver sustainable and quality products and providing valuable customer service to all its customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

There were no instances of disruption/discontinuation of essential service have happened. However, the Company maintains a proactive approach by promptly notifying customers in the event of any potential disruptions or discontinuation. This ensures that customers are well-informed beforehand, allowing them to mitigate any financial or non-financial losses. The Company's commitment to transparent communication safeguards the interests of its valued customers.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. Abiding with the local laws, the Company displays product related information in manuals and instructions. The information displayed include Equipment Capacity, Unique Equipment Number, Pressure and Temperature Rating, Customer PO Number, and Tag Number which is specified on the Name Plate. The Company also periodically conducts customer satisfaction and feedback surveys to enhance the service delivery.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact:** Nil.

   b. **Percentage of data breaches involving personally identifiable information of customers:** Not Applicable.

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 to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities.

As on March 31, 2023, the Board consists of Eight Directors comprising of five Non-Executive Directors, of which four Directors are Independent Directors including one Woman Independent Director. The Executive Directors include the Managing Director and the Whole-time Directors. In terms of Regulation 17 of the Listing Regulations, the non-executive - directors constitute 50% of the Board as at March 31, 2023. Except Independent Directors, all other Directors are liable to retire by rotation. None of the Directors on the Board has attained the age of 75 years. 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 Director ship	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	MD (P)**	Father of Harsh Patel, Brother of Nilesh Patel, Uncle of Aalap Patel	6	-	-	-	-
Mr. Aalap Patel	ED (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	6	-	-	-	-
Mr. Harsh Patel	WTD (P) **@	Son of Himanshu Patel, Nephew of Nilesh Patel, First cousin of Aalap Patel	3	-	-	1(M)	-
Ms. Vijayanti Punjabi	NED (I) **	None	1	-	-	-	-
Mr. Yatish Parekh	NED (I) **	None	1	-	-	1 (C)	-
Mr. Sandeep Randery	NED (I) **	None	1	-	-	1 (C) 1 (M)	-
Mr. Jayesh Shah	NED (I) **	None	1	-	-	2 (M)	-

**MD (P) – Managing Director (Promoter), ED (P) - Executive Director (Promoter), WTD (P) – Whole Time Director (Promoter), NED (P) - Non-Executive Director (Promoter), NED (I) - Non-Executive Director (Independent).

#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. Harsh Patel, Non-executive Director, was appointed as the Whole-Time Director w.e.f. 1st October, 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, 2023. 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 and attendance of Board of Directors at the Board Meetings and Annual General Meeting

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

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

The Board of Directors met 5 (five) times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations: May 23, 2022, June 06, 2022, August 10, 2022, November 11, 2022 and February 11, 2023.

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	5	-	Yes
Mr. Aalap Patel	4	-	Yes
Mr. Nilesh Patel	5	0.75	Yes
Mr. Harsh Patel	5	0.45	Yes
Ms. Vijayanti Punjabi	5	0.75	Yes
Mr. Yatish Parekh	5	0.75	Yes
Mr. Sandeep Randery	5	0.75	Yes
Mr. Jayesh Shah	4	0.60	Yes

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

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

Equity Shareholding of the Non-Executive Directors in the Company as on March 31, 2023 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	1,81,95,635	Ms. Vijayanti Punjabi	Nil
Mr. Sandeep Randery	Nil	Mr. Yatish Parekh	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 accessed 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 and 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, 2023 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; and
- 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, 2023:

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

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The 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 utilization 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 utilized 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 5 (five) 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 May 23, 2022, June 06, 2022, August 10, 2022, November 11, 2022 and February 11, 2023.

The requisite quorum was present at all the Meetings. The Chairperson of the Audit Committee was present at the 31st Annual General Meeting of the Company held on September 01, 2022 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	5
Mr. Aalap Patel	Executive Director	Member	4
Mr. Sandeep Randery	Independent Director	Member	5
Mr. Jayesh Shah	Independent Director	Member	5

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, Whole-time 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; and

(5) 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 August 10, 2022 and February 11, 2023 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Sandeep Randery	Independent Director	Chairperson	2
Mr. Jayesh Shah	Independent Director	Member	2
Mr. Aalap Patel	Executive Director	Member	2
Mr. Harsh Patel	Whole-Time 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 Mr. Achal Thakkar, the Company Secretary and Compliance Officer of the Company. The Stakeholders Relationship Committee regularly oversees the functions of the Compliance Officer and systems and manner of investor grievance handling and resolving the same expeditiously.

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) had been appointed as a Company Secretary and Compliance Officer of the Company with effect from May 10, 2022.

The Company as on March 31, 2023 had 61,585 members. The status of the complaints received by the Company during the year under review is as under:

As on April 1, 2022: Nil

Received during the year: 22

Resolved during the year: 22

Outstanding as on March 31, 2023: Nil

During financial year 2022-23, 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, 2023.

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 Nomination and Remuneration 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 modification as may be applicable.

Meeting and Attendance

During the financial year, the Nomination and Remuneration Committee had met 2 (two) times on May 23, 2022 and February 11, 2023. The requisite quorum was present at the Meeting. Ms. Vijayanti Punjabi, the Chairperson of the Committee was present at the 31st AGM of the Company held on September 1, 2022 to answer the Shareholder queries.

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

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

Performance evaluation criteria for Independent Directors

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

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

The performance evaluation of the Independent Directors was carried out by the entire Board on the basis of 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 2022-23 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.

(Rs. in Lakhs)

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

*Mr. Harsh Patel has been the Non-Executive Director upto 30.09.2023 and has been appointed as a Whole-time Director w.e.f. 01.10.2022.

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 2022-23 are given below:

(Rs. in Lakhs)

Name of Director	Gross Salary Including Allowances	Bonus	Commission	TOTAL
Mr. Himanshu Patel	101.25	0	69.40	170.65
Mr. Aalap Patel	81.90	0	-	81.90
Mr. Harsh Patel*	30.00	0	-	30.00
TOTAL	**213.15**	**0**	**69.40**	**282.55**

*Mr. Harsh Patel has been the Non-Executive Director upto 30.09.2023 and has been appointed as a Whole-time Director w.e.f. 01.10.2022.

Note:

(a) The abovementioned Directors are entitled to bonus, allowances and perquisites as per the agreements entered into with them;

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

(c) The tenure of the contract of service entered into by the Company with its Executive Directors is for a period of 3 (three) years with effect from December 31, 2022, 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); and

(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 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 the entire process;
- Recommend to the Board, any modifications to the CSR Policy, as and when required;
- Recommend to the Board, the amount of expenditure to be incurred on the activities to be undertaken by the Company for CSR;
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the CSR activities undertaken by the Company;
- 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 May 23, 2022, August 10, 2022, November 09, 2022 and February 11, 2023 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Sandeep Randery	Independent Director	Chairperson	4
Ms. Vijayanti Punjabi	Independent Director	Member	4
Mr. Aalap Patel	Executive Director	Member	3

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. Aalap Patel, Executive Director (Chairperson of Risk Management Committee), Mr. Yatish Parekh, Independent Director (Member) and Mr. Sandeep Randery, Independent Director (Member)- 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 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 3 (three) times during the year on May 23, 2022, November 09, 2022 and February 11, 2023 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Aalap Patel	Executive Director	Chairperson	2
Mr. Yatish Parekh	Independent Director	Member	3
Mr. Sandeep Randery	Independent Director	Member	3

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 2022-23. 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
2021-22-AGM	September 01, 2022	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 Mr. Himanshu Patel as a Managing Director of the Company. b. Re-appointment of Mr. Aalap Patel as an Executive Director of the Company. c. Appointment of Mr. Harsh Patel (existing Non-Executive Director) as a Whole-time Director ofthe Company. d. Sub-division of equity shares from the face value of Rs. 10/- per share to Rs. 2/- per sharealong with necessary Alteration in Capital clause ofthe Memorandum of Association. e. 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.

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.		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 into 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.

(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. The details of the postal ballot is as under:

Postal Ballot details

During the year under review, Postal Ballot Notice containing Resolutions together with the Explanatory Statement were emailed to all the shareholders on Thursday, June 2, 2022. The remote e-voting period commenced from 9:00 a.m. (IST) on Friday, June 3, 2022 and ended at 5:00 p.m. (IST) on Saturday, July, 02, 2022. The Managing Director and the Company Secretary were responsible for postal ballot process. Mr. Dinesh G. Bhimani, (FCS 8064) Proprietor of D. G. Bhimani & Associates, Company Secretaries, Anand was appointed as the Scrutinizer for conducting the postal ballot exercises in a fair and transparent manner. The scrutinizer submitted his report dated July 4, 2022 and on the basis of the report of the Scrutinizer on e-voting done by the members, the following resolutions as set out in the Postal ballot notice dated May 23, 2022 were duly passed by the Shareholders of the Company with requisite majority:

Resolution No. 1 as a Special Resolution

To re-appoint Mr. Yatish Parekh (DIN: 00168488), as an Independent Director of the Company for a period of five (5) years

Resolution No. 2 as a Special Resolution

To re-appoint Mr. Sandeep Randery (DIN: 07663581), as an Independent Director of the Company for a period of five (5) years

Resolution No. 3 as a Special Resolution

To approve increase limits of Borrowing under section 180(1)(c) of the Companies Act, 2013

Resolution No. 4 as a Special Resolution

To approve encumbrance on property of the Company for borrowing external funds in accordance with Section 180(1)(a) of the Companies Act, 2013

Resolution No. 5 as a Special Resolution

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.

The results of the Postal Ballot was as under:

Sr. No.	Resolution No.	Total number of valid Votes	No. of Shares in favour of resolution	Percentage (%)	No. of Shares against the resolution	Percentage (%)
1	1	9773303	9773154	99.9985	149	0.0015
2	2	9773303	9773154	99.9985	149	0.0015
3	3	9773303	9771432	99.9809	1871	0.0191
4	4	9773303	9762802	99.8926	10501	0.1074
5	5	9773303	9765546	99.9206	7757	0.0794

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 15 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 2022-23, 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

The Policy of determining material subsidiaries is available on the weblink https://hleglascoat.com/wp-content/uploads/2022/11/POLICY-ON-MATERIAL-SUBSIDIARIES_09.11.2022.pdf

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 15th November, 2018 is not required to be given. The Company is exposed to exchange fluctuation risk for its sales to overseas customers in various foreign currencies. However, Company has a natural hedging from Export proceeds it receives with regard to foreign exchange risk.

There are no materially uncovered exchange rate risks in the context of the Company's exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2023 are disclosed in Notes to the standalone financial statements.

I. Details of utilization of funds raised through preferential allotment or Qualified Institutional 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 2022-23.

L. Details relating to fees paid to the Statutory Auditors for all the services rendered during the period under review are as under

Statutory audit fees 17.00 Lakhs, Tax audit fees 2.00 Lakhs and Other fees 3.50 Lakhs.

The same is also 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.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount – Nil.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Sr. No.	Name	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of Appointment
1	Thaletec GmbH ("Thaletec")	December 17, 2021	Thale Germany	REITBAUER GMBH(German Public Auditor)	NA
2	Thaletec Inc., USA.	December 17, 2021	USA	REITBAUER GMBH(German Public Auditor)	NA

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

The details of the Directors proposed to be appointed/ re-appointed in the 32nd Annual General Meeting of the Company is annexed to the Notice convening Annual General Meeting.

Mr. Jayesh Shah (DIN: 03570056) have been appointed by the Board as an Independent Director w.e.f. November 03, 2018. It is proposed to appoint him as an Independent Director for a second term of five (5) years, commencing from November 03, 2023. The brief profile and other details have been given in the Notice convening the 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 2022-23 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/ NayaPadkar

***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 Limited– www.bseindia.com and National Stock Exchange of India Limited– www.nseindia.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 2022-23

Compliance Officer	:	Mr. Achal Thakkar
Date, Time and Venue of the 32nd Annual General Meeting	:	Thursday, 28th day of September, 2023 at 10:00 a.m. through Audio-Visual means
Financial Year	:	1st April, 2022 to 31st March, 2023
Book Closure Dates	:	Friday, September 22, 2023 to Thursday, September 28, 2023 (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	:	INE461D01028
Credit Rating	:	Provided in the Board Report

b) **Listing on Stock Exchanges**

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

Name	Address	Stock Code
BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	522215
National Stock Exchange of India Limited (NSEL) (Listed w.e.f. 09.02.2023, however, was already permitted to trade from 18.02.2021)	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	HLEGLAS

Listing Fees

Listing fees of both the exchanges for the year 2023-24 have 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:

BSE:

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-22	5,898	4,498	1,400	Oct-22	3,777	646	3,131
May-22	4,702	3,215	1,487	Nov-22	722	625	97
Jun-22	3,566	3,005	561	Dec-22	707	580	127
Jul-22	3,440	3,064	376	Jan-23	690	590	100
Aug-22	3,867	3,092	775	Feb-23	615	514	101
Sep-22	4,076	3,380	696	Mar-23	543	466	77

*(Source: www.bseindia.com)

** the Company has Sub-Divided Equity Shares from the Face Value of Rs. 10 each to Face Value of Rs. 2 each fully paid up with effect from October 19, 2022 (Record Date).

*** The decimals in the prices of the shares are rounded to ones (without decimals).

NSE:

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-22	5,898	4,501	1,397	Oct-22	3,770	646	3,124
May-22	4,706	3,215	1,491	Nov-22	725	628	97
Jun-22	3,549	3,050	499	Dec-22	708	589	119
Jul-22	3,449	3,000	449	Jan-23	670	591	80
Aug-22	3,865	3,090	775	Feb-23	615	511	104
Sep-22	4,075	3,381	694	Mar-23	545	465	80

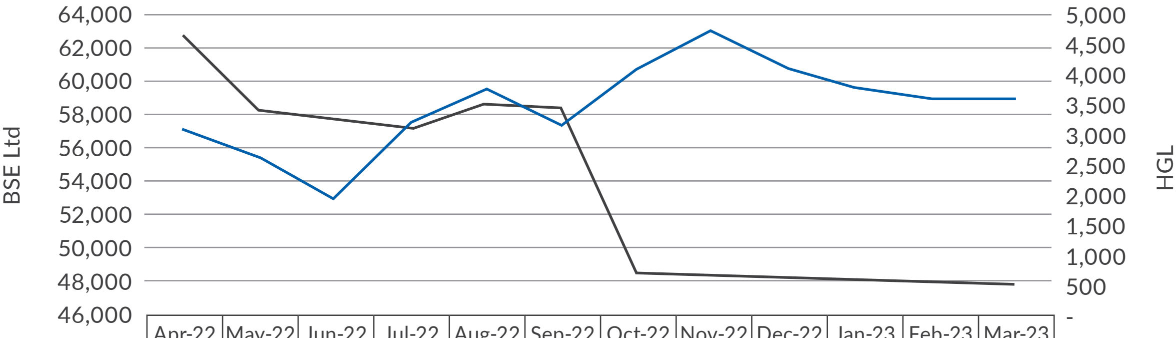
*(Source: www.nseindia.com)

** the Company has Sub-Divided Equity Shares from the Face Value of Rs. 10 each to Face Value of Rs. 2 each fully paid up with effect from October 19, 2022 (Record Date).

*** The decimals in the prices of the shares are rounded to ones (without decimals).

e) **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 2022-23 on BSE vis-à-vis S&P BSE Sensex**



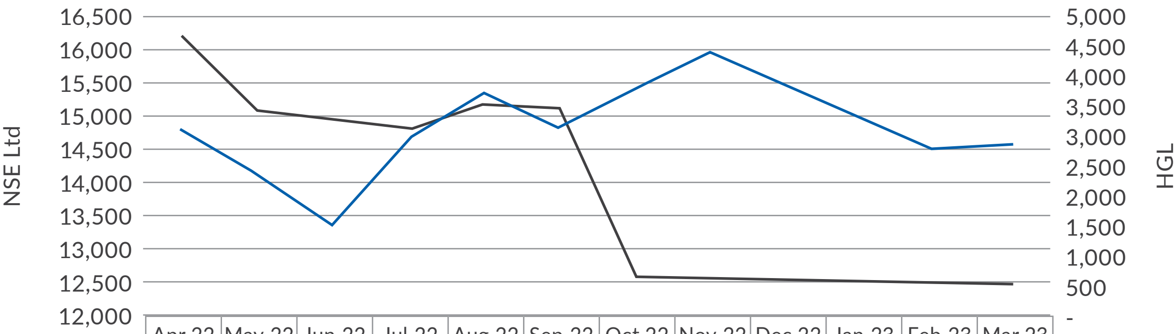
	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
BSE	57,061	55,566	53,019	57,570	59,537	57,427	60,747	63,100	60,841	59,550	58,962	58,992
HGL	4,648	3,438	3,286	3,100	3,548	3,465	659	637	662	607	517	503

*(Source: www.bseindia.com)

** the Company has Sub-Divided Equity Shares from the Face Value of Rs. 10 each to Face Value of Rs. 2 each fully paid up with effect from October 19, 2022 (Record Date).

*** The decimals in the prices of the shares are rounded to ones (without decimals).

- **Company's closing share price movement during the financial year 2022-23 on NSE vis-à-vis Nifty500**



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
NSE	14,783	14,120	13,388	14,666	15,325	14,829	15,424	15,946	15,449	14,936	14,519	14,558
HGL	4,642	3,437	3,295	3,099	3,542	3,465	659	637	664	606	516	505

*(Source: www.nseindia.com)

** the Company has Sub-Divided Equity Shares from the Face Value of Rs. 10 each to Face Value of Rs. 2 each fully paid up with effect from October 19, 2022 (Record Date).

*** The decimals in the prices of the shares are rounded to ones (without decimals).

f) **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.

g) 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, 2023, 6,48,98,405 shares (95.07%) 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.

h) 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.

i) Distribution of shareholding of shares of the Company as on March 31, 2023 is as follows:

(A) Distribution of Shares as per Category as on March 31, 2023.

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	% of (A+B)
(A)	Shareholding of Promoter and Promoter Group	7	48003720	70.32
(B)	Public Shareholding Institutions	-	-	-
(C)	Public Shareholding- Non- Institutions	61578	20261760	29.68
	GRAND TOTAL (A+B+C)	**61585**	**68265480**	**100.00**

(B) Distribution of Shares by size of holding as on March 31, 2023

Category of Shares	No. of shareholders	% Holders	No. of Shares	% Shares
1 to 500	60795	96.43%	3205574	4.70%
501 to 1000	1076	1.71%	892082	1.31%
1001 to 2000	531	0.84%	801930	1.17%
2001 to 3000	268	0.43%	676588	0.99%
3001 to 4000	81	0.13%	296540	0.43%
4001 to 5000	99	0.16%	475519	0.70%
5001 to 10000	88	0.14%	661151	0.97%
10001 and above	110	0.17%	61256096	89.73%
TOTAL	**63048**	**100.00%**	**68265480**	**100.00%**

Note: As per shareholding pattern filed with the BSE/NSE Limited, number of shareholders as on March 31, 2023 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 and NSE Limited.

Details of ADRs / GDRs – NA / Nil.

Details of commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to Currency Risk arising primarily from foreign currency loans, import liability of materials and capital goods as well as export of finished goods and hence, the Company has adopted Forex Risk Management Policy. This would broadly include setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

j) Plant Location and Address for Correspondence

Plant Location:	Registered Office:
(1) HLE Glascoat Limited H-106, G I D C Estate, Vitthal Udyognagar – 388 121 Dist. Anand, Gujarat E-mail ID: share@hleglascoat.com Contact No.: (02692) 236842 to 236845	HLE Glascoat Limited H-106, G I D C Estate, Vitthal Udyognagar – 388 121 Dist. Anand, Gujarat
(2) HLE Glascoat Limited A-6, Maroli Udhyognagar At. Post. Maroli Bazaar Navsari – 396436 Gujarat	**(3) HLE Glascoat Limited** Sr. No. 183/P1, Zaroli Road, Village: Naroli, Silvassa Dadra & Nagar Haveli-396230

Details of credit ratings received by the Company:

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: www.hleglascoat.com.

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 2022-2023 are as under:

The details of the shares transferred to the said Unclaimed Suspense Account during the financial year 2022-2023 are as under:

Particulars	No. of Shareholders	No. of Shares
Outstanding balance in Unclaimed Suspense Account as on April 1, 2022	3	4000
Request for transfer from Unclaimed Suspense Account received and processed	-	-
Outstanding balance in Unclaimed Suspense Account as on March 31, 2023	3	4000

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/-
Managing Director
Himanshu Patel
(DIN: 00202312)

Sd/
Aalap Patel
Executive Director
(DIN:06858672)

Date : May 29, 2023
Place : Maroli

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 (6) 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)

Date : May 29, 2023
Place : Maroli

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, Himanshu Patel, the Managing Director and 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, 2023 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**

Date : May 29, 2023
Place : Maroli

Sd/-
Naveen Kandpal
Chief Financial Officer

Sd/-
Himanshu Patel
Managing Director

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, 2023.

For **HLE Glascoat Limited**

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

Date : May 29, 2023
Place : Maroli

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF HLE GLASCOAT LIMITED

To
The members of
HLE Glascoat Limited
H-106, GIDC Estate,
Vitthal Udyognagar,
Anand - 388121,
Gujarat, India

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, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C - D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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 SEBI 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 - D and of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the year ended March 31, 2023.

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 25, 2023
UDIN : F008064E000375464

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,
Vitthal Udyognagar,
Anand - 388121,
Gujarat, India

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, 2023 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 25, 2023
UDIN : F008064E000375310

SECRETARIAL COMPLIANCE REPORT OF HLE GLASCOAT LIMITED FOR THE YEAR ENDED MARCH 31, 2023

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by HLE GLASCOAT LIMITED, having CIN L26100GJ1991PLC016173, having its Registered Office at H-106 GIDC Estate, Vithal Udyognagar - 388121. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

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 31st March, 2023 ("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 there under; and

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

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

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

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

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

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

(e) Securities and Exchange Board of India (Share based Employee Benefits 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 Securities) Regulations, 2021; (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:

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

Sr. No.	Compliance Requirement	Regulation/ Circular No	Deviation	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Mgt. Resp Onse	Remarks
NIL										

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

Sr. No.	Compliance Requirement	Regulation/ Circular No	Deviation	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Mgt. Resp Onse	Remarks
NIL										

II Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	N.A.	N.A.
2	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	N.A.	N.A.

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.		
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	N.A.	N.A.

III. I hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	NIL
2	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	NIL
3	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	NIL
4	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	NIL
5	**To examine details related to Subsidiaries of listed entities:** (a) Identification of material subsidiary companies(b) Requirements with respect to disclosure of material as well as other subsidiaries	N.A.	NIL

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
6	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	NIL
8	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes	NIL
9	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	NIL
11	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	N.A.	NIL
12	**Additional Non-compliances, if any:** No any additional non-compliance observed for all SEBI regulation/circular/ guidance note etc.	N.A.	NIL

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **D G Bhimani & Associates**

Place : Anand
Date : May 29, 2023
UDIN : F008064E000418408

Dineshkumar G. Bhimani
Company Secretary
CP. No. 6628

ANNEXURE-IX TO THE BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THR FINANCIAL YEAR ENDED MARCH 31, 2023

[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
H-106, GIDC Estate,
Vitthal Udyognagar,
Anand - 388121,
Gujarat, India

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, 2023 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, 2023 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 Byelaws 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 - Non - Convertible Securities) Regulations, 2021;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(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.

For **D G Bhimani & Associates**

Place : Anand
Date : May 29,2023
UDIN : F008064E000418518

Dinesh kumar G. Bhimani
Company Secretary
CP. No. 6628

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
H-106, GIDC Estate,
Vitthal Udyognagar,
Anand - 388121,
Gujarat, India

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. Whereever 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**

Dinesh kumar G. Bhimani
Company Secretary
CP. No. 6628

Place : Anand
Date : May 29,2023
UDIN : F008064E000418518

ANNEXURE-VII TO THE BOARD'S REPORT

Management Discussion and Analysis Report

Forming part of the Board Report

ECONOMIC OVERVIEW

The fiscal year 2022-23 was marked with global uncertainties and unforeseen headwinds. Soon after the pandemic receded, the war in Ukraine broke out in February 2022. This had a cascading effect on not just the global economy but also the Indian economy, which saw challenges arising from rising inflation and supply chain and trade disruptions. The rising inflation impacted the prices of metals, power, fuel and food as well. The Consumer Price Index (CPI) of India was estimated at 6.7% in 2022-23, compared to 5.5% in 2021-22. The target range for inflation was fixed at 4% with an upper tolerance of 6%. However, between April and October 2022 the CPI was outside the target range set by the Reserve Bank of India. To bring inflation under control, RBI increased the policy repo rate under the liquidity adjustment facility (LAF) by 250 basis points from 4.0% to 6.50% during 2022-23. Additionally, the Government cut down import duty on major inputs such as ferronickel, coking coal, among others to zero; rolled out phase-wise reduction in excise duty of petrol and diesel; waived off customer duties on cotton and prohibited export of wheat.

The year 2022 marked the 75th year of India's Independence and despite the headwinds, 2022-23 saw India emerge as the fifth largest economy in the world, measured in current dollars. In real terms, the economy is expected to grow at 7.2% during 2022-23 compared to 9.1% during 2021-22. India's aspiration to achieve high income status by 2047 will need to be realized through a growth process that delivers broad based gains to the bottom half of the population.

India's economic growth in 2022-23 has largely been led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registrations in the Employee Provident Fund. Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in 2023-24. Manufacturing and investment activities gained traction during the fiscal. While the growth of exports moderated, the rebound in domestic consumption has sufficiently matured to take forward the growth of India's economy.

The FY23 for India has reinforced the country's belief in its economic resilience. The economy has withstood the challenge of mitigating external imbalances caused by geopolitical conflicts and inflationary pressures.

ECONOMIC OUTLOOK

India's recovery from the pandemic was relatively quick and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. With the increasing thrust of the Government on infrastructure and capital expansion and strong credit growth, India is poised for sustained growth in the foreseeable future. The Union Budget 2023-24 speaks volumes of the Government's increasing focus on infrastructure, financing new businesses and making India more self-reliant and self-employed. The GDP growth of the country in 2023-24 is projected at 6.5%.

INDUSTRY OVERVIEW

Engineering Sector

Demand in the engineering industry segment is driven by investments and capacity creation in core sectors like power, infrastructure developments, mining, oil and other sectors like the general manufacturing sector, automotive and process industries and consumer goods industry. The engineering services market is projected to grow at a CAGR of 8%. One of the primary factors driving the increased acceptance of the engineering services market is expected to be the expanding collaboration between original equipment manufacturers (OEM) and engineering service providers (ESP). The increasing need to shorten product lifecycles, improve cost efficiencies and the rising demand for diverse downstream products is expected to support market expansion. The market for engineering services has been expanding steadily along with clients willingness to outsource various services to reduce costs.

In Budget 2023-24, the Government has committed an outlay of Rs. 10 lakh crore (US$ 120 billion) towards infrastructure capital expenditure compared to Rs. 7.5 lakh crore (US$ 90 billion) (BE) during 2022-23. An Urban Infrastructure Development Fund (UIDF) will be managed by the National Housing Bank, which will enable creation of infrastructure in Tier II and III cities by supporting viability gap funding, enabling creation of more bankable projects, enhancing access to external funding, among others. To enhance opportunities for private investment in infrastructure, Infrastructure Finance Secretariat is being established who will assist all stakeholders for more private investment in infrastructure, including railways, roadways, urban infrastructure, and power. Rising demand for environmentfriendly buildings coupled with government initiatives to revamp and enhance the country's depleted infrastructure, and increasing public and private sector investments in residential, commercial, healthcare and educational infrastructure construction projects globally are providing the civil engineering market with the opportunity to expand exponentially. Industrial goods manufacturing organizations are heavily embracing the execution of private, public and hybrid clouds to modernize their information technology driven infrastructure, drive automation and streamline inheritance processes. The ability of the industrial internet of things to reduce downtimes, find and fix mistakes and lower the cost of supervision is expected to be a key factor in the growth of the industrial segment. The Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, ensuring India remains an attractive and investor-friendly destination.

Pharmaceutical Sector

Standing tall as the 3rd largest pharmaceutical producer and the largest generic drug manufacturer in the world, the Indian pharmaceutical market has enormous potential. The pharmaceutical industry in India carves a significant part of the nation's foreign trade and offers lucrative potential for investors as well. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA).

Medicine spending in India has been on the rise and is projected to grow 9-12% over the next five years, helping India emerge as one of the top 10 countries in terms of medicine spending. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, is collectively expected to contribute to boost the Indian pharmaceutical industry. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. Additionally, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies. 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 such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

According to EY and FICCI, the Indian pharmaceutical market is estimated to touch US$ 130 billion in value by the end of 2030 on the back of a growing consensus over providing new innovative therapies to patients. According to government data, the Indian pharmaceutical industry is worth approximately US$ 50 billion, with more than US$ 25 billion of the value carved by exports. About 20% of the global exports in generic drugs are met by India. Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US are in India.

Chemical Industry

India is the 14th largest exporter and 8th largest importer of chemicals in the world. The Indian chemical sector forms the building blocks and raw materials for several downstream sectors. The Indian chemical industry has been growing at more than 10% over the past 10 years. The Indian chemicals and petrochemicals sector is expected to attract an investment worth Rs. 8 lakh crore by 2025, driven by demand from various downstream sectors and the China Plus One strategy. The sector has also been strongly supported by various government reforms such as 'Make in India' or 'Atmanirbhar Bharat Abhiyaan', thereby, increased focus on infrastructure projects. Additionally, a concessional income tax rate of 15% for new manufacturing companies also drives the growth of chemical sector in the country. Further, various policies announced in the Budget 2023-24 would certainly generate demand for a variety of chemicals including construction chemicals, emission control catalyst, polyurethane, TPUs and bio-pesticides, among others. Changes in BCD rates of various goods like crude glycerin, denatured ethyl alcohol, acid grade fluorspar, specified chemicals for manufacture of pre-calcined Ferrite Powder is expected to provide impetus to increase domestic demand for these products.

A share of 22% of the total chemicals and petrochemicals market in India is captured by specialty chemicals. The Indian chemical industry, led by the Indian Chemical Council (ICC), has set a goal of reaching $ 300 billion by 2025, which requires an investment of about $ 75 billion to $ 100 billion to decrease import dependency and improve chemical products exports. India is the fourth largest producer of agrochemicals across the world and it is projected to reach $ 4.7 billion by 2025, growing at a CAGR of 8.6% between 2021 and 2025. The construction chemical industry in India is growing swiftly on the back of rising construction spending in the country and increasing government investments in infrastructure projects, such as Make in India, Housing for All, construction of flyovers, metros, etc. Speciality chemicals carve ~20% of the total chemicals market in India by value and is projected to reach $ 64 billion by 2025. Manufacturers of speciality chemicals can target segments such as agrochemicals, pharmaceuticals, textiles and polymers, among others.

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-linked incentive system with 10-20% output incentives for the agrochemical sector to create an end-to-end manufacturing ecosystem through the growth of clusters.

COMPANY OVERVIEW

HLE Glascoat Limited (hereafter referred to as 'the Company' or 'HGL') is a renowned manufacturer of specialized process equipment for the chemical and pharmaceutical industries. Established in 1981 as HLE Engineers Private Limited, the Company acquired Swiss Glascoat Equipments Limited in 2017 to emerge as HLE Glascoat by way of a scheme of arrangement in 2019. The Company stands as the leading producer of Filtration and Drying Equipment and Glass Lined Equipment globally.

The Company is engaged in two main engineering businesses, namely manufacturing of specialized Filtration and Drying equipment and other chemical engineering equipment and manufacturing of Glass-lined reactors and equipment. 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).

The Company caters to both the Indian and the international markets, providing them with superior quality engineering products. Over the years, HGL has emerged as a leader in the domestic market by catering to diverse downstream industries and applications ranging from pharmaceuticals/API, specialty chemicals, agrochemicals/ pesticides, dyes and pigments, to intermediates and other conceivable corrosion-prone areas in the chemical processing industry.

The Company benchmarks its products to international standards and is compliant with stringent quality norms, striving to service its customers with superior quality products. The Company name is synonymous with trust and faith, which has enabled HGL to reinforce its brand recall amongst its customers over the years.

HGL has an excellent track record of growth and profitability and its penetration in the export markets has been gaining good traction over the years. With the help of the Thaletec GmbH acquisition, the Company will further strengthen its position in the international markets.

A. Financial performance vis-à-vis Operational performance

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22*	FY 2022-23	FY 2021-22*
Total Income	93,957.37	65,997.52	66,112.09	52,207.26
Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income)	15,525.37	10,797.68	10,633.93	10,168.47
Profit Before Tax (after adjusting Other Comprehensive Income)	10,950.88	8,377.46	7,222.04	8,135.45
Profit After Tax (after adjusting Other Comprehensive Income)	7,998.72	5,769.52	5,443.04	6,215.08
Total Assets	89,124.77	75,979.03	77,749.82	65,717.12
Equity Share Capital	1,365.31	1,365.31	1,365.31	1,365.31
Other Equity	31,304.32	23,987.53	31,527.19	26,766.80
Non-controlling interest	13.26	8.4	-	-
Total Equity	32,682.89	25,361.24	32,892.50	28,132.11
Bank Borrowings	23,296.31	18,553.33	22,680.45	18,003.15
Debt: Equity Ratio (including long term and short term borrowings)	0.76	0.82	0.73	0.72
Book Value per Equity Share of Rs. 2 each – In Rs.	47.88	37.15	48.18	41.21
Earnings per Equity Share - Basic and Diluted – In Rs.				
Earnings per Share - From Continuing operations	10.37	8.89	8.12	9.4
Earnings per Share - From Discontinuing operations	(0.15)	(0.36)	(0.15)	(0.36)
Dividend Per Share – In Rs. (FY 2022-23 – proposed)	1.1	1	1.1	1

*Previous year's figures are restated, regrouped, rearranged and recast, wherever considered necessary.
The Company completed the acquisition of 100% shareholding in Thaletec GmbH, Germany on 17th December, 2021 and the financial information includes the performance of Thaletec GmbH and its wholly owned subsidiary Thaletec Inc., USA for the period commencing from that date.

The Company continues to retain its position as the market leader in the filtration and drying segment. HGL's Balance Sheet continues to remain robust and relatively insulated from financial risks. By continuously working on various measures to optimize net material costs other operational / manufacturing costs, working capital cycle, the Company has sustained its growth trajectory and achieved significant cost savings. The Company's standalone revenue from operations for the year 2022-23 was Rs. 64,946.44 lakhs compared to Rs. 50,848.93 lakhs during 2021-22. Similarly, the Company's consolidated revenue from operations for the year 2022-23 was Rs.93,152.21 lakhs compared to Rs. 65,221.82 lakhs during 2021-22.

➢ Consolidated Segment-wise Performance

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

(Rs. in Lakhs)

Particulars	FY 2022-23	FY 2021-22*
Revenue		
a) Filtration, Drying and Other Equipment	34,420.92	31,410.57
b) Glass Lined Equipment	57,855.68	33,002.59
c) Others	875.61	808.66
EBIT		
a) Filtration, Drying and Other Equipment	4,442.90	4,609.29
b) Glass Lined Equipment	7,792.94	7,055.58

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

The Company completed the acquisition of 100% shareholding in Thaletec GmbH, Germany on December 17, 2021 and the financial information includes the performance of Thaletec GmbH and its wholly owned subsidiary Thaletec Inc., USA for the period commencing from that date.

➢ 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 therefore

Key Financial Ratios	FY 2022-23	FY 2021-22	Detailed explanation for change of 25% or more, if any
Debtors Turnover (times)	5.11	6.97	Due to higher sales in Q4 FY 22-23
Inventory Turnover (times)	3.45	3.05	
Interest Coverage Ratio (times)	4.35	8.2	Due to higher utilization of working capital borrowings as a result of higher operations and the full year impact of the borrowings to finance the Thaletec acquisition.
Current Ratio	1.25	1.34	
Debt Equity Ratio (considering long term and short term debt)	0.73	0.72	
Operating Profit Margin (%)	14.44	18.13	
Net Profit Margin (%)	8.38	12.15	Due to higher raw material costs, interest, depreciation and overheads and also consolidation of financials of the German subsidiary which has comparatively lower margins.

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

Key Financial Ratios	FY 2022-23	FY 2021-22	Detailed explanation for change of 25% or more, if any
Return on Net Worth (PAT/ Net Worth) - Standalone	17.84	27.70%	Due to equity being raised at premium during 2021-22 and PAT for 2022-23 being low owing to higher raw material costs, interest, depreciation and overheads.

B. Opportunities and Threats

The Company is constantly endeavouring to service its customers with superior quality products at reasonable prices, backed by continuous innovation of processes, use of latest technology and product diversification. The Company has been proactively investing to improve its product development capabilities, technology advancement, infrastructure and supply chain management, enabling HGL to not only scale its capacities and improve operational and cost efficiencies but also to expand its reach across domestic and export markets. These factors hold the Company in good stead to grow sustainably in the foreseeable future, with constant demand coming from the downstream engineering service, pharmaceutical and chemical sector. The position of HGL as one of the front runners in the sector positions the Company to make the most of the sectoral tailwinds.

The threats: the Company is traditionally associated with is 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. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation is plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate and tighter global financing costs could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

There is a strong brand recall associated with the Company. Further, the Company has been reinforcing its brand recall by intensifying its marketing efforts and service network, which is validated by the strong presence of the Company in both domestic and international markets. The management is confident of overcoming the internal threats and ensuring the Company growth sustenance in the current year.

C. Risks and Concerns

The overall risk landscape of the past few years has proven complex for the Company. However, the resilience shown by the Company against the backdrop of such challenges is remarkable. The plans developed, implemented and executed during the pandemic and in its wake are now far more resilient. However, the fiscal 2022-23 was marked by several other risks requiring plenty of preparation and proactive and reactive threat management.

ESG (Environmental, Social, and Governance) reporting is in its infancy but the requirements will be broader and all-encompassing. Therefore, a lack of preparedness could be a threat. Organizations should ensure governance structures to provide reliable information on ESG risks and opportunities. The Company has focused on defined ESG disclosures and metrics and identifying the data to be captured and curated to comply with local ESG regulations on time.

Identifying risks is only one part of the scenario. Mitigating them is more crucial to ensure business continuity and sustenance. The Company focuses on systemic risks that create vulnerabilities and ensure that its risk management provides oversight of such risks. Systemic risk is a type of risk which at a company- or industry-level could trigger a huge collapse. Systemic risk is hard to quantify and harder to predict. Management's risk appetite should be updated to provide clarity in decision-making. The Company is also focused on understanding ESG risks and supporting the design and development of robust governance frameworks and control environments.

Risk Management

The Company is cognizant of the pivotal role played by risk management to ensure long-term business growth and sustenance. Pursuant to provisions of Regulation 17 and 21 of the SEBI Regulations ('the 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 the '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 of the Company has a detailed risk identification, assessment and mitigation procedure for all risks faced by HGL. The Risk Management Policy adopted by the 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 such as economic risk, geopolitical risk, production risk, price 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, among others. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business and processes. The Company has also formed the Risk Management Committee comprising certain Directors. The Risk Management Committee is tasked with identification and mitigation of risks, which is further supervised by the Board of Directors.

D. Internal Control Systems and their adequacy

The 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, HGL 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, Anand and Silvassa). 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

Operating in the manufacturing sector, the Company understands the importance of human capital and knows that employees form the backbone of the Company's success. The Company has robust HR policies in place, promoting transparency, ethics and inclusive growth of the employees. The Company is constantly endeavouring to strengthen its HR processes to stay ahead of the curve at all times. The strength of the HR processes of the Company are validated by its ability to attract and recruit the best talent in the industry, ensure strong learning and development with equal emphasis on safety trainings, proactive employee engagement and strong employee retention.

Such processes have not only increased efficiencies of the employees but also helped them grow alongside the Company. The 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.

The 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 the Company as on March 31, 2023 stands at 728.

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/-
Himanshu Patel
Managing Director
(DIN: 00202312)

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

Place : Maroli
Date: May 29, 2023

ANNEXURE-VIII TO THE BOARD'S REPORT

DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23

1. **Brief outline on CSR Policy of the Company**

   The Company believes in enriching 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 the 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	4
2	Ms. Vijayanti Punjabi	Member/Independent Director	4	4
3	Mr. Aalap Patel	Member/Executive Director	4	3

3. **Web-link(s) where the Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

   The CSR activities undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Committee composition, CSR Policy and projects/ programmes undertaken by the Company along with the implementing agencies/ partners are available on links given below:

   (i) CSR Committee Composition and CSR Policy: https://www.hleglascoat.com/csr/

   (ii) CSR Projects programmes undertaken by the Company: https://www.hleglascoat.com/csr/

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. (a) Average net profit of the Company as per section 135(5): Rs. 6,890.09 lakhs

   (b) Two percent of average net profit of the Company as per section 135(5): Rs. 137.80 lakhs

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

   (d) Amount required to be set off for the financial year, if any: Rs. 9.40 lakhs

   (e) Total CSR obligation for the financial year (5b+5c-5d): Rs.128.40 lakhs

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activeties in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project Duration	Amount Allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	Dist.						Name	CSR Registration number
N.A.												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of 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 Implementation - Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	Dist.			Name	CSR Registration number
1.	AzadiKa AmritMahotsav	*Structure for National Flag	Yes	Gujarat	Surat	6.15	Yes	-	-
2.	Gram AavasYojna/ Low cost Housing Project Expense	*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	104.50	No	Yashaswati Foundation	CSR00003105
3.	Donation to Manray Foundation–Empowring Underprivileged Children	*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	Navsari	15.00	No	Manray foundation	
4.	Distribution of educational bookstitled "BIPLOB THE BUMBLEBE",the world's first ever Eco – Warrior Superheroon the conservation of the environment to public schools in association with Brihanmumbai Municipal Corporation	*promoting education, art and culture,	No	Maharashtra	Mumbai	12.75	Yes	-	-
	Total					**138.40**			

(c) Amount spent in Administrative Overheads: None

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

(e) Total amount spent for the Financial Year (6a+6b+6c): Rs. 138.40 lakhs

(f) 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.138.40 lakhs	N.A.	N.A.		N.A.	

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

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	137.80
(ii)	Total amount spent for the Financial Year	138.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.60
(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)]	0.60

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Balance amount in Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency if any
					Name of the Fund	Amount (in Rs.)	Date of transfer		
Nil									

8. Whether any capital asset have been created or acquired through CSR spent in the financial year: **N.A.**

9. 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
For **HLE Glascoat Limited**

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

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

Date : May 29, 2023
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 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year 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 2023, 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.

Sr. No.	Key Audit Matter	Our Response
1	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition 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. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Sr. No.	Key Audit Matter	Our Response
2	**Property, Plant & Equipment (Including Capex)**	**Principal Audit Procedures**
	Tracking and monitoring capex requires more attention to ensure reasonable accurateness and completeness of financial reporting in respect of Property, plant and equipment. Further, technical complexities require management to assess and make estimates/judgements about capitalization, estimated useful life, impairment etc. which has material impact on Balance sheet and operating results. Refer note 2 to Standalone financial statements	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows; i. We assessed company's process regarding maintenance of records and accounting of transactions pertaining to property, plant and equipment including capital work in progress with reference to Indian Accounting Standard 16. ii. We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, Plant & Equipment iii. We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and equipment in accordance with Schedule II of the Companies Act, 2013. iv. We have relied on physical verification conducted by management and management representations.

4. 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.

5. 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.

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.

6. 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.

7. 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 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 28 (I) 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 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.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

N Kashinath
Partner
Mem.No.36490
UDIN: 23036490BGXRYP9722

Place: Mumbai
Date: 29th May 2023

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 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 2023 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) 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 except for the unaudited statements filed for quarters June-2022 and September-2022. The stock reported to the Banks in these quarters was lower compared to the books by Rs. 2,075.98 lakhs and Rs. 2,341.48 lakhs for the quarter ended June-2022 and September-2022 respectively. Differences is mainly due to value of in-transit inventory, inventory of discontinued operations, and difference due to valuation of inventory as per accounting standard, which is normally done at the time of limited review/ audit. Refer Note no. 11 for details.

(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.

(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, 2023 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 2023 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	11.28
	For the period 2012- 2015	CESTAT	23.98
	For the period 2013- 2017	CESTAT	18.91

(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 not made any preferential allotment or private placement of shares or convertible debenture (fully, partially or optionally convertible) during the year and hence reporting under Clause (x) (b) of Para 3 of the Order is not applicable to the Company.

(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.

(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 28(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 the Reserve 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: 23036490BGXRYP9722

Place: Mumbai
Date: 29th May 2023

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, 2023 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, 2023, 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 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: 23036490BGXRYP9722

Place: Mumbai
Date: 29th May 2023

Standalone Balance Sheet

as at 31st March 2023

Rs. in Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I) ASSETS			
1) Non-Current Assets			
a) Property, plant and equipment	2 (a)	21,556.73	13,785.27
b) Right of use assets	2 (b)	768.69	834.66
c) Capital work-in-progress	2 (c)	192.10	3,138.83
d) Investment property	2 (d)	137.17	142.02
e) Other intangible assets	2 (e)	286.36	314.66
f) Financial assets;			
(i) Investments	3	14,596.82	15,690.71
(ii) Others financial assets	4	124.76	65.37
g) Non current tax assets (net)		991.67	662.81
h) Other non-current assets	5	78.35	92.60
2) Current Assets			
a) Inventories	6	18,245.19	19,419.82
b) Financial assets;			
(i) Trade receivables	7	17,181.82	8,226.16
(ii) Cash and cash equivalents	8	3.99	12.91
(iii) Bank balances other than cash and cash equivalents	9	1,048.57	1,207.20
(iv) Loans	10	23.58	17.13
(v) Others financial assets	4	919.05	104.21
c) Other current assets	5	1,594.97	2,002.76
TOTAL ASSETS		**77,749.82**	**65,717.12**
II) EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	SOCE	1,365.31	1,365.31
b) Other equity	SOCE	31,527.19	26,766.80
Total Equity		**32,892.50**	**28,132.11**
2) LIABILITIES			
i) Non-Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	9,837.24	12,982.23
(ii) Lease liabilities		265.10	310.94
(iii) Other financial liabilities	12	2,048.74	0.90
b) Provisions	13	62.61	54.68
c) Deferred tax liabilities (Net)	14	1,372.19	1,157.91
ii) Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	14,256.14	7,176.65
(ii) Lease liabilities		55.33	59.56
(iii) Trade payables	15		
Outstanding dues of micro enterprises and small enterprises		126.04	268.24
Outstanding dues of creditors other than micro enterprises and small enterprises		9,211.74	10,117.69
(iv) Other financial liabilities	12	1,429.91	1,068.63
b) Other current liabilities	16	5,896.22	4,166.33
c) Provisions	13	296.06	221.25
Total Liabilities		**44,857.32**	**37,585.01**
TOTAL EQUITY AND LIABILITIES		**77,749.82**	**65,717.12**
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
Reg. No. 107122W / W100672

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

N. Kashinath
Partner
Membership No. 036490

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Maroli Udyognagar, Dated 29th May 2023

Standalone Statement of Profit and Loss

for the Year Ended 31st March 2023

Rs. in Lakhs

	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I)	**INCOME**			
	a) Revenue from operations	17	64,946.44	50,848.93
	b) Other income	18	1,165.65	1,358.33
	TOTAL INCOME (a+b)		**66,112.09**	**52,207.26**
II)	**EXPENSES**			
	a) Cost of materials consumed	19	35,020.63	27,451.94
	b) Changes in inventories of finished goods and work-in-progress"	20	391.17	(1,795.57)
	c) Employee benefits expense	21	4,905.71	3,791.00
	d) Finance costs	22	2,154.59	1,123.84
	e) Depreciation and amortisation expense	23	1,257.30	909.18
	f) Other expenses	24	15,161.41	12,630.02
	TOTAL EXPENSES (a to f)		**58,890.81**	**44,110.41**
III)	**PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEM**		**7,221.28**	**8,096.85**
IV)	**TAX EXPENSE**			
	a) Current tax		1,564.73	1,883.82
	b) Deferred tax		214.27	36.55
	TOTAL TAX EXPENSE(a+b)		**1,779.00**	**1,920.37**
V)	**PROFIT FOR THE YEAR (III-IV)**		**5,442.28**	**6,176.48**
VI)	Profit before tax for the period from continuing operations		7,321.83	8,340.61
VII)	Tax expense of continuing operations		1,779.00	1,920.37
VIII)	**Profit for the period from continuing operations (VI-VII)**		**5,542.83**	**6,420.24**
IX)	Profit/ (Loss) before tax for the period from discontinuing operations		(100.55)	(243.76)
X)	Tax expense of discontinuing operations		-	-
XI)	**Profit for the period from discontinuing operations (IX-X)**		**(100.55)**	**(243.76)**
XII)	**PROFIT FOR THE YEAR (VIII+XI)**		**5,442.28**	**6,176.48**
	OTHER COMPREHENSIVE INCOME (OCI)			
	Items that will not be reclassified to profit or loss			
	a) Remeasurements of defined benefit plans		1.02	51.58
	b) Income tax relating to items that will not be reclassified to profit or loss		(0.26)	(12.98)
XIII)	**TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (a+b)**		**0.76**	**38.60**
XIV)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XII+XIII)**		**5,443.04**	**6,215.08**
XV)	**EARNINGS PER EQUITY SHARE**	28(a)		
a.	From continuing operations			
	Basic		8.12	9.40
	Diluted		8.12	9.40
b.	From discontinuing operations			
	Basic		(0.15)	(0.36)
	Diluted		(0.15)	(0.36)

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
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Standalone Statement of Changes in Equity

for the Year Ended 31st March 2023

Rs. in Lakhs

SHARE CAPITAL	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share of Rs. 2/- each [Previous year Rs. 10/- each]	9,00,00,000	1,800.00	1,80,00,000	1,800.00
Preference shares of Rs. 10/- each [Previous year Rs. 10/- each]	26,00,000	260.00	26,00,000	260.00
Issued , subscribed and fully paid-up share capital	6,82,65,480	1,365.31	1,36,53,096	1,365.31
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,36,53,096	1,365.31	1,30,75,480	1,307.55
Add: Increase in number of share on account of stock split [Refer footnote (c)]	5,46,12,384	-	-	-
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	6,82,65,480	1,365.31	1,30,75,480	1,307.55
Changes in equity share capital during the current year [Refer footnote (b)]	-	-	5,77,616	57.76
Balance at the end of the reporting year	**6,82,65,480**	**1,365.31**	**1,36,53,096**	**1,365.31**

Footnotes:

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

(a) The Company has only one class of equity share having par value of Rs. 2/- per share (Previous year 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 shareholders.

(b) 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.

(c) The Members, at the 31st Annual General Meeting of the Company held on 1st September, 2022, have approved the sub-division of the Equity Shares from face value of Rs. 10/- per share to face value of Rs. 2/- per share. The record date for the share split was 19th October, 2022. Accordingly, the basic and diluted earnings per share and the number of shares disclosed in note 28(a) have been computed for the current year and re-computed for the previous year based on the revised number of shares and face value of Rs. 2/- per equity shares.

(d) The company has declared final dividend aggregating to Rs. 682.65 lakhs [Rs. 5/- per share (pre-split)] during the FY 2022-23 [Previous year Rs. 538.43 lakhs (Rs. 4/- per share)]

Standalone Statement of Changes in Equity

for the Year Ended 31st March 2023

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows:

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	No.	%	No.	%
Himanshu Khushalbhai Patel	17,978,535	26.34%	3,595,707	26.34%
Nilesh Khushalbhai Patel	18,195,635	26.65%	3,639,127	26.65%
Harsh Himanshu Patel	9,297,900	13.62%	1,859,580	13.62%

Increase in number of share is on account of stock split. [Refer footnote (c)]

The details of the shares held by promoters as at March 31, 2023 are as follows:

Promoter name	As at 31st March 2023			As at 31st March 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Promoter						
Himanshu Khushalbhai Patel	17,978,535	26.34%	-	3,595,707	26.34%	-
Nilesh Khushalbhai Patel	18,195,635	26.65%	-	3,639,127	26.65%	-
Harsh Himanshu Patel	9,297,900	13.62%	-	1,859,580	13.62%	-
Aalap Nilesh Patel	944,165	1.38%	-	188,833	1.38%	-
Promoter Group						
Priti Himanshubhai Patel	46,350	0.07%	-	9,270	0.07%	-
Kishoriben Nilesh Patel	81,110	0.12%	-	16,222	0.12%	-
Swara Rajeev Patel	1,460,025	2.14%	-	292,005	2.14%	-
	48,003,720	**70.32%**		**9,600,744**	**70.32%**	

Increase in number of share is on account of stock split. [Refer footnote (c)]

Standalone Statement of Changes in Equity

for the Year Ended 31st March 2023

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	Remeasurements of defined benefit plans	Capital redemption reserve				
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/Conversion 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**
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-
Received during the period										-
Transfer to capital redemption reserve				(37.50)		37.50				
Other adjustment							37.50	(37.50)		
Profit for the current reporting year ending 31st March 2023	-	-	-	5,442.28	-		-			5,442.28
Other comprehensive income (Net of tax)	-	-	-		0.76		-			0.76
Total comprehensive Income for the reporting year	**-**	**-**	**-**	**5,404.78**	**0.76**	**37.50**	**37.50**	**(37.50)**	**-**	**5,443.04**
Transactions with owners in their capacity as owners:										-
Dividends										-
Final dividend [Rs. 5/- per share (pre-split)]	-	-	-	(682.65)	-					(682.65)
Transfer to general reserve		2,000.00		(2,000.00)						-
Balance at the end of the reporting year ending 31st March 2023	**9,892.75**	**7,540.05**	**1.52**	**12,671.87**	**24.45**	**112.50**	**1,209.03**	**75.02**	**-**	**31,527.19**

Standalone Statement of Changes In Equity

for the Year Ended 31st March 2023

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
Capital redemption reserve	Capital redemption reserve is created by the company for redemption of preference share from its profits.
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.
Preference share capital	18,75,152 9.50% redeemable preference shares of Rs. 4/- each (Previous year Rs. 6/- each)
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
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Standalone Statement of Cash Flow

for the Year Ended 31st March 2023

Rs. in Lakhs

	Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	NET PROFIT BEFORE TAX		7,221.28		8,096.85
	Adjustment for :				
	Depreciation	1,257.30		909.18	
	Finance cost	2,154.59		1,123.84	
	Foreign currency unrealised gain (Net)	(168.46)		(118.54)	
	Share of loss/(profit) in subsidiary (Partnership)	71.40		(642.18)	
	Expected credit loss	25.01		10.00	
	Provision for Doubtful Advances	11.02		-	
	Interest income	(41.99)		(80.59)	
	Dividend income	(663.08)		(0.01)	
	Deferred income	-		(63.18)	
	Bad debts written off	0.03		0.32	
	Remeasurements of defined benefit plans	1.02		51.58	
	Net gain on sale of financial assets	-		(110.82)	
	Sundry balance/provision written back	(8.14)		(16.72)	
	(Gain)/loss on sale & disposal of fixed assets	(41.32)	2,597.38	9.12	1,072.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**9,818.66**		**9,168.85**
	Trade receivables	(8,980.19)		(1,877.63)	
	Other current assets	396.77		(1,377.46)	
	Other financial assets	(240.16)		(33.25)	
	Loans and advances	(6.44)		1.83	
	Inventories	1,174.62		(5,531.20)	
	Trade payable	(1,049.52)		4,239.04	
	Provisions	82.75		(25.70)	
	Other non current financial liabilities	219.39		53.96	
	Other current financial liabilities	-		21.11	
	Other liabilities	1,738.03	(6,664.75)	(531.55)	(5,060.85)
	CASH GENERATED FROM OPERATIONS		**3,153.91**		**4,108.00**
	Direct taxes paid		(1,893.83)		(2,199.83)
	NET CASH FROM OPERATING ACTIVITIES		**1,260.08**		**1,908.17**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets including capital work in progress and capital advance	(3,863.60)		(6,728.67)	
	Proceeds from sale of property, plant and equipment	118.44		118.46	
	(Investment) in subsidiaries	1,093.89		(12,315.61)	
	Share of (loss)/profit in subsidiary (Partnership)	(71.40)		642.18	
	Increase / (decrease) in Fixed deposits with banks	112.13		(271.29)	
	Purchase of current investment	-		(6,000.00)	
	Proceeds from current investments	-		6,110.82	
	Interest income	36.05		89.69	
	Dividend income	663.08		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		**(1,911.41)**		**(18,354.41)**

Standalone Statement of Cash Flow

for the Year Ended 31st March 2023

Rs. in Lakhs

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from working capital facilities (Net)	5,629.35		2,805.69	
Proceeds from long-term borrowings	514.26		9,651.98	
(Repayment)/Proceeds of/from Inter corporate loan (Net)	(150.00)		150.00	
Proceeds from Issue of share capital/share warrants	-		5,999.98	
Repayment of term loans	(2,211.56)		(962.16)	
Redemption of preference share	(747.74)		(747.74)	
Interest paid	(1,709.25)		(938.81)	
Dividend paid	(682.65)		(538.43)	
NET CASH FROM FINANCING ACTIVITIES		**642.41**		**15,420.51**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		**(8.92)**		**(1,025.73)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**12.91**		**1,038.64**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**3.99**		**12.91**

Footnotes to Cash Flow Statement:

(i) The above cash flow statement has been prepared under the indirect method.

(ii) Refer Note No 28(o) for amount spent during the year ended 31st Mar 2023 and 31st Mar 2022 on construction / acquisition of assets relating to CSR activities

(iii) Reconciliation of financing liabilities.

Rs. in Lakhs

	As at 31st March 2023	As at 31st March 2022
Opening balance	**20,158.88**	**9,148.64**
Cash (outflow)/inflow in/from non-current borrowings	(3,144.99)	7,463.64
Cash inflow from current borrowings	7,079.49	3,546.60
Closing balance	**24,093.38**	**20,158.88**

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 1 - Significant Accounting Policies under IND AS

A) Corporate Information

HLE Glascoat Limited (the 'Company') was incorporated on 26th August, 1991 and is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India: the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The registered office of the Company is located at H – 106, G.I.D.C. Estate, Vitthal Udyognagar – 388121, District Anand, Gujarat.

The Company 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) Filtration, Drying and Other Equipment – Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.

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. Fair value is the price that would be received on sale of 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 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, 2023 were approved for issue in accordance with a resolution of the directors on 29th May, 2023.

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 recognized 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:

Notes to the Standalone Financial Statements

As At 31st March 2023

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. 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 28E)

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

Notes to the Standalone Financial Statements

As At 31st March 2023

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 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') recognized 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. 16 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 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 derecognized 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.

PPE acquired and put to use for projects are capitalized and depreciation thereon is included in the project cost till the project is ready for commissioning.

An item of PPE is derecognized 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 recognized in Statement of Profit and Loss when asset is derecognized.

The depreciable amount of an asset is determined after deducting its residual value. 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.

Notes to the Standalone Financial Statements

As At 31st March 2023

Description of the Asset	Estimated Useful life
Tangible:	
Building –Factory	30 Years
Plant and Equipment	5-25 Years
Furniture and Fixtures	10 Years
Computer and Computer servers	3-6 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings and Air conditioners	5-10 Years
Renewable Energy Saving Device – Windmill	22 Years
Vehicles	8-10 Years
Right of use assets (Land)	
- Land – Leasehold	Primary period of lease
Intangible:	
Software	3-5 Years
Technical Know How	10 Years

Depreciation on the property, plant and equipment, is calculated using the straight-line method 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 & 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 amortization 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 derecognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets are amortized over 3 to 10 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 analyzed into research phase and development phase. The Company recognizes 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 amortized over their estimated useful life.

3) **Capital work-in-progress ('CWIP') and intangible assets under development:**

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

4) **Investment Property:**

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognized at cost including transaction costs. Subsequently

Notes to the Standalone Financial Statements

As At 31st March 2023

investment properties comprising building are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note 1 above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is derecognized when either the investment property has been disposed of or does not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of de-recognition.

5) **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 recognized 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 recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in the Statement of Profit and Loss.

6) **Inventories:**

Inventories consisting of stores and spares, raw materials, work in progress and finished goods are valued at lower of cost and net realizable 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 realizable 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 division.

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 realizable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognized.

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.

Notes to the Standalone Financial Statements

As At 31st March 2023

7) **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.

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.

8) **Government Grants:**

Grants and subsidies from the government are recognized 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 recognized 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 recognized as income in equal amounts over the expected useful life of the related asset.

Notes to the Standalone Financial Statements

As At 31st March 2023

9) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Present obligations arising under onerous contracts are recognized 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 recognized 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 recognized, however, disclosed in financial statement when inflow of economic benefits is probable

10) Foreign Currency Transactions:

The financial statements of the Company are presented in INR, which is also the functional currency (i.e. the currency of the primary economic environment in which the Company operates). In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognized 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.

11) Share Capital and Share Premium:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in other 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.

12) Dividend Distribution to equity shareholders:

The Company recognizes a liability to make dividend to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. In the case of a final dividend, a distribution is authorized when it is approved by the shareholders. In the case of an interim dividend, a distribution is authorized when it is approved by the Company's Board of Directors. A corresponding amount is recognized directly in other equity along with any tax thereon, if applicable.

13) 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, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

14) Revenue Recognition:

The Company derives revenues primarily from sale of goods comprising of (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

Notes to the Standalone Financial Statements

As At 31st March 2023

related spares and accessories, (ii) Filtration, Drying and Other Equipment - Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories, and (iii) Chemicals.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/product/prompt payment discounts and schemes offered by the company as part of the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

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 recognized 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 recognized 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 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 recognized 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.

- Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/product/ prompt payment discounts and schemes offered by the company as part of the contract with the customers. When the level of discount varies with the increase in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. The Company recognizes changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

15) Other Income:

Dividend Income:

Dividend Income is accounted for when Company's right to receive the income is established.

Interest Income:

Interest Income is recognized on a time-proportion basis.

Notes to the Standalone Financial Statements

As At 31st March 2023

16) 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 capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognized 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 capitalized to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalization 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 capitalization of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

17) 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 recognized 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 plan i.e., gratuity; and

ii) Defined contributions plan i.e., 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 recognizes 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

Notes to the Standalone Financial Statements

As At 31st March 2023

recognized 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 recognized 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 are recognized as an expense when employees have rendered the service entitling them to the contribution.

18) Taxes on Income:

Income tax expense represents the sum of income tax currently payable and deferred tax. Income Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized 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) and 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all tax deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilized.

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 realized, 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.

19) Earnings per Share:

Basic earnings per share are calculated by dividing the total profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Basic earnings per share are calculated separately for both continuing and discontinuing operations.

20) 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 realized 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.

Notes to the Standalone Financial Statements

As At 31st March 2023

b) **A liability is current when:**

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) **Deferred tax assets and liabilities are classified as non-current assets and liabilities.**

21) 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 recognized 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.

22) 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 recognizes 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.

Notes to the Standalone Financial Statements

As At 31st March 2023

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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. 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 on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized 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 recognized in the other comprehensive income (OCI). However, the Company recognizes 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 recognized 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 recognized in the Statement of profit and loss.

Derecognition

The Company derecognizes 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

Notes to the Standalone Financial Statements

As At 31st March 2023

to control the transferred asset, the Company recognizes 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 amortized cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognizes 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).

Impairment loss allowance (or reversal) recognized during the period is recognized 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 recognized 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 recognized 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 capitalized 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.

Notes to the Standalone Financial Statements

As At 31st March 2023

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize 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.

23) Amendments to Schedule III of Companies Act, 2013:

Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable

24) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

a) **IND AS 1 –** Presentation of Financial Statements: This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

   The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

   The Company does not expect this amendment to have any material impact in its financial statements.

b) **IND AS 8 –** Accounting Policies, Changes in Accounting Estimates and Errors: This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

   The Company does not expect this amendment to have any material impact in its financial statements.

c) **IND AS 12 –** Income Taxes: This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

   The Company does not expect this amendment to have any material impact in its financial statements.

25) Report on Other Legal and Regulatory Requirements:

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Notes to the Standalone Financial Statements

As At 31st March 2023

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 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**
Additions	3,784.07	2,656.04	1,733.06	-	162.47	203.76	99.63	133.64	62.77	124.40	8,959.84
Disposals		-	(149.23)	-	-	-	(2.36)	(26.82)	-	(0.43)	(178.84)
Carrying value as at 31 March 2023	**5,297.10**	**7,963.02**	**8,603.84**	**536.91**	**716.42**	**679.25**	**328.66**	**594.91**	**262.72**	**312.75**	**25,295.58**
Depreciation Block											
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**
Depreciation / Amortisation for the year		247.97	573.45	14.17	49.81	62.37	28.40	55.06	29.84	50.19	1,111.26
Disposals		-	(76.09)		-	-	(0.11)	(25.11)	-	(0.41)	(101.72)
Accumulated depreciation / Amortisation as at 31 March 2023	**-**	**753.44**	**1,533.87**	**303.38**	**237.59**	**237.70**	**117.73**	**244.43**	**150.38**	**160.33**	**3,738.85**
Net Block											
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**
As at 31 March 2023	**5,297.10**	**7,209.58**	**7,069.97**	**233.53**	**478.83**	**441.55**	**210.93**	**350.48**	**112.34**	**152.42**	**21,556.73**

Footnotes:

(i) The amount of borrowing cost capitalised during the year ended 31st March 2023: Rs. Nil lakhs (Previous Year Rs. 50.41 lakhs).

(ii) 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 constituting evidence of legal ownership.

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 2 (b): Right of use asset

Rs. in Lakhs

Particulars	Land
Gross Block	
Carrying value as at 31 March 2021	**644.40**
Additions	269.62
Disposals	-
Carrying value as at 31 March 2022	**914.02**
Additions	-
Disposals / adjustments	(1.60)
Carrying value as at 31 March 2023	**912.42**
Depreciation Block	
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**
Depreciation / Amortisation for the year	64.37
Disposals	-
Accumulated depreciation / Amortisation as at 31 March 2023	**143.73**
Net Block	
As at 31 March 2022	**834.66**
As at 31 March 2023	**768.69**

Note 2 (c): Capital work-in-progress

Rs. in Lakhs

Particulars	Land
As at 31 March 2022	3,138.83
As at 31 March 2023	**192.10**

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	192.10	-	-	-	192.10
	(101.99)	(3,036.84)	-	-	(3,138.83)
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Footnotes:

(i) There were no material projects which have exceeded their original planned cost and timelines.

(ii) The amount of borrowing cost capitalised during the year ended 31st March 2023: Rs. 0.18 lakhs (Previous Year Rs. 37.57 lakhs).

(iii) Previous year's figures are in bracket.

Notes to the Standalone Financial Statements

As At 31st March 2023

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**
Additions	-
Disposals	-
Carrying value as at 31 March 2023	**153.17**
Depreciation Block	
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**
Depreciation / Amortisation for the year	4.85
Disposals	-
Accumulated depreciation / Amortisation as at 31 March 2023	**16.00**
Net Block	
As at 31 March 2022	**142.02**
As at 31 March 2023	**137.17**

Footnote:

(i) The amount of rent income from investment property during the year ended 31st March 2023: Rs. 18.72 lakhs (Previous Year Rs. 18.72 lakhs)

Note 2 (e): Other intangible assets

Rs. in Lakhs

Particulars	Computer Software	Technical Know How	Total
Gross Block			
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**
Additions	47.77	0.75	48.52
Disposals	-	-	-
Carrying value as at 31 March 2023	**160.57**	**586.25**	**746.82**
Depreciation Block			
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**
Depreciation / Amortisation for the year	19.88	56.94	76.82
Disposals	-	-	-
Accumulated depreciation / Amortisation as at 31 March 2023	**101.58**	**358.88**	**460.46**
Net Block			
As at 31 March 2022	**31.10**	**283.56**	**314.66**
As at 31 March 2023	**58.99**	**227.37**	**286.36**

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 3

Investments

Rs. in Lakhs

Particulars	Subsidiaries	No. of shares and face value of shares				As at 31st March 2023	As at 31st March 2022
		As at 31st March 2023		As at 31st March 2022			
		Holdings No. of securities	Face value	Holdings No. of securities	Face value		
Unquoted - Investment in subsidiaries (At cost)							
Thaletec GmbH (Refer footnote "a")	Wholly Owned Subsidiary Company	4.00	75,000.00	4.00	75,000.00	11,260.52	11,260.52
HL Equipments (Firm)	Subsidiary	NA	NA	NA	NA	3,336.30	4,430.19
Total		**4.00**	**75,000.00**	**4.00**	**75,000.00**	**14,596.82**	**15,690.71**
Aggregate value of unquoted investment						14,596.82	15,690.71

Footnotes:

(i) Face value is in Euro.

(ii) Details of investments in partnership firm

Rs. in Lakhs

Name of the partnership firms and their partners	Total capital		Share of each partner	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
H L Equipments				
M/s HLE Glascoat Limited	3,336.30	4,430.19	99.00%	99.00%
Mr. Himanshu K Patel	1.94	2.55	0.25%	0.25%
Mr. Harsh H Patel	5.63	5.31	0.25%	0.25%
Mr. Aalap N Patel	0.51	(1.81)	0.25%	0.25%
Mrs. Sheetal H Patel	5.18	2.35	0.25%	0.25%
Total	**3,349.56**	**4,438.59**	**100%**	**100%**

Note 4

Other financial assets (Secured, considered good)

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
At amortised cost				
Security deposits	63.92	58.34	3.21	3.21
Bank deposits with more than 12 months maturity	60.84	7.03	-	-
Others:				
Interest accrued on loans and deposits	-	-	21.29	15.35
Income receivable	-	-	27.52	31.62
Balance with Government authorities	-	-	282.34	42.31
Export benefit receivable (Duty drawback)	-	-	10.61	11.72
At FVTPL				
Derivative Asset	-	-	574.08	-
Total	**124.76**	**65.37**	**919.05**	**104.21**

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 5

Other assets (Unsecured, considered good)

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Capital advances	78.17	92.41	-	-
Advances to employees	-	-	13.33	1.14
Advances to suppliers	-	-	1,015.94	668.89
Considered doubtful			11.02	-
Less Provision for doubtful advances			(11.02)	-
Sub Total	**78.17**	**92.41**	**1,029.27**	**670.03**
Others				
Balance with government authorities	-		350.48	1,184.38
Prepaid expenses	0.18	0.19	215.22	148.35
Sub Total	**0.18**	**0.19**	**565.70**	**1,332.73**
Total	**78.35**	**92.60**	**1,594.97**	**2,002.76**

Note 6

Inventories (at lower of cost & net realizable value)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Raw materials	8,228.15	8,811.34
Work-in-progress	8,433.52	8,378.00
Finished goods	815.21	1,261.90
Stores and spares	768.31	968.58
Total	**18,245.19**	**19,419.82**

Footnotes:

(i) Inventories includes goods in transit:

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Finished goods	307.68	227.27

(ii) The cost of inventories expensed during the year includes Rs. **Nil** (Previous Year Rs. **Nil**) in respect of write-down of inventories to net realisable value.

(iii) Inventories have been offered as security against the working capital facilities provided by the bank.

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 7

Trade receivables

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables		
Unsecured, considered good [refer footnote (a)]	17,181.82	8,226.16
Credit impaired	52.23	18.90
Less: Impairment provision on expected credit loss model	(52.23)	(18.90)
Total	**17,181.82**	**8,226.16**

Footnotes:

(i) Of the above, trade receivable due from related party Rs. 90.28 lakhs (Previous Year Rs. 850.47 lakhs) (refer note no. 28 f)

(ii) The company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and future foreseeable credit loss and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

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	More than 3 years	
Undisputed – considered good	6,261.99	9,626.07	1,126.22	160.68	6.86	-	17,181.82
	(2,675.85)	(4,655.82)	(590.88)	(285.91)	(17.70)		(8,226.16)
Undisputed - considered significant increase in credit risk	-	-	7.16	10.88	18.99	15.20	52.23
	-	(0.12)	(0.32)	(12.03)	(6.43)	-	(18.90)
Less - Allowance for expected credit loss	-	-	7.16	10.88	18.99	15.20	52.23
	-	(0.12)	(0.32)	(12.03)	(6.43)		(18.90)
Total	**6,261.99**	**9,626.07**	**1,126.22**	**160.68**	**6.86**	**-**	**17,181.82**
	(2,675.85)	**(4,655.82)**	**(590.88)**	**(285.91)**	**(17.70)**	**-**	**(8,226.16)**

Footnote:

Previous year’s figures are in bracket

Note 8

Cash and cash equivalents (As per cash flow statement)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks (of the nature of cash and cash equivalents)	-	10.47
Cash on hand	3.99	2.44
Total	**3.99**	**12.91**

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 9

Bank balances other than cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Margin money deposits with bank (Under lien)	930.96	1,097.14
Unclaimed dividend account	117.61	110.06
Total	**1,048.57**	**1,207.20**

Note 10

Loans

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good		
Loans to employees	23.58	17.13
Total	**23.58**	**17.13**

Note 11

Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
NON CURRENT		
Secured		
Term loans (At amortized cost)		
from banks and financial institutions	9,142.12	11,690.48
Interest accrued on term loan	41.50	39.96
Preference share liability (At amortised cost)		
18,75,152 9.50% redeemable preference shares of Rs. 4/- each (Previous year Rs. 6/- each)	653.62	1,246.42
Unsecured (At amortized cost)		
Interest accrued on unsecured loan	-	5.37
Sub - Total	**9,837.24**	**12,982.23**
CURRENT		
Secured (At amortized cost)		
Current maturities of long-term debt	4,483.42	2,390.63
Loans repayable on demand		
from banks and financial institutions	9,772.72	4,636.02
Unsecured (At amortized cost)		
Inter corporate loan (Refer note no. 28 f)	-	150.00
Sub - Total	**14,256.14**	**7,176.65**
Total	**24,093.38**	**20,158.88**

The quarterly returns or statements filed by the Company for working capital limits with its bankers are in agreement with the books of account of the Company except for statements filed for quarters June, 2022 and September, 2022, where the variances were observed in the value of inventory between the amount reported as per the books of account for respective quarters and amount as reported in the quarterly statements. The stock reported to the Banks in these quarters was lower compared to the books (June 2022 quarter the value of inventory was reported lower by Rs. 2,075.98 lakhs and September 2022 quarter the value of inventory was reported lower by Rs. 2,341.48 lakhs) This was mainly due to the fact that value of inventory which was in transit, discontinued

Notes to the Standalone Financial Statements

As At 31st March 2023

operations inventory and difference due to valuation of inventory due to valuation as per accounting standard, which is normally done at the time of limited review/ audit. Since the inventory value reported was lower the Company has not revised the stock statement that it had already submitted.

Non-Current Borrowings

1. Term Loan(s) from Bajaj Finance Limited are secured by mortgage of certain immovable property(ies) owned by the Promoters. The Term Loans are repayable in 76 and 79 quarterly instalments commencing from November, 2017 and May, 2018 respectively and carries an interest of 11.60% p.a. (March 31, 2022: 10.75% p.a.) payable monthly.

2) Term Loan from HDFC Bank Limited is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 equal monthly instalments commencing from September, 2022 and carries an interest of 8.40% p.a. (March 31, 2022: 7.95% p.a.) payable monthly.

3) Term Loan from Citibank N.A. is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 16 equal quarterly instalments from April, 2022 and carries an interest of 11.74% p.a. (March 31, 2022: 8.25% p.a) payable monthly.

4) Term Loan (foreign currency loan) from Citibank N.A. is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 16 equal quarterly instalments commencing from March, 2023 and carries an interest of 2.50% p.a. (March 31, 2022: 2.50% p.a.) payable monthly.

5) Term Loan(s) from State Bank of India are secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 Loans are repayable in 78 and 48 equal monthly instalments commencing from October, 2019 and October, 2020 respectively and carries an interest of 9.80% p.a. and 10.05% p.a. (March 31, 2022: 9.80% p.a. and 10.05% p.a.) respectively payable monthly.

6) Term Loan from ICICI Bank is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 48 equal monthly instalments commencing from March 2024 and carries an interest of 9.15% p.a. (March 31, 2022: Nil) payable monthly.

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 and ranges from 6.25% p.a to 10.00% p.a. (March 31, 2022: 6.25% p.a to 10.00% 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 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.43% p.a. [March 31, 2022: 7.90% p.a.] and for other facilities is SOFR plus 250 bps [March 31, 2022: LIBOR plus 250 bps].

Notes to the Standalone Financial Statements

As At 31st March 2023

2) Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured by first 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2022: 9.25% p.a.]

3) Working capital facilities including packing credit and foreign bill discounting from ICICI Bank Limited are secured by first 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2022: 9.25% p.a.]

4) 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 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of Interest for cash credit is 7.95% p.a. [March 31, 2022: 7.95% p.a.]

5) The unsecured loans from related parties, in which directors are interested, are carrying interest @ 9.00% p.a., [March 31, 2022: 9.00% p.a.] and are repayable on demand.

Note 12

Other financial liabilities

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Unclaimed dividends	-	-	117.61	110.06
Others :				
Security deposit	1.03	0.90	0.62	1.67
Employee related payable	-	-	633.15	378.65
Retention money	-	-	-	81.88
Capital creditors	2,047.71	-	678.53	496.37
Total	**2,048.74**	**0.90**	**1,429.91**	**1,068.63**

Note 13

Provisions

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits				
Gratuity	-	-	140.65	114.49
Leave benefits	62.61	54.68	15.40	14.26
Provision for unexpired warranty	-	-	140.01	92.50
Total	**62.61**	**54.68**	**296.06**	**221.25**

Notes to the Standalone Financial Statements

As At 31st March 2023

Footnotes:

(i) Movement of provision for unexpired warranty

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	92.50	80.77
Add: Additional provision made during the year	164.63	135.62
Less: Provision amount used during the year	117.12	123.89
Closing balance	**140.01**	**92.50**

(ii) Movement of provision for employee benefits

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	183.43	220.84
Add: Additional provision made during the year	66.35	57.56
Less: Provision amount used during the year	31.12	94.97
Closing balance	**218.66**	**183.43**

Note 14

Deferred tax liabilities - (Net)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liabilities	1,390.39	1,162.16
Deferred tax assets	(18.20)	(4.25)
Total	**1,372.19**	**1,157.91**

Rs. in Lakhs

Particulars	As at 31st March 2022	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March 2023
Deferred tax assets/(liabilities) in relation to:				
Provision for gratuity	(11.47)	17.27	-	5.80
Provision for Leave encashment	2.06	(1.02)	-	1.04
Depreciation and amortisation	(1,150.69)	(95.22)	-	(1,245.91)
Right-of-use and lease liability	2.19	0.10	-	2.29
Mark to market gains on mutual funds and derivative	-	(144.48)	-	(144.48)
Allowance for doubtful debts and advances	-	9.07	-	9.07
	(1,157.91)	**(214.28)**	**-**	**(1,372.19)**
Deferred tax assets/(liabilities) in relation to:	-	**Assets**	**Liabilities**	**Net**
Provision for gratuity	-	5.80	-	5.80
Provision for Leave encashment	-	1.04	-	1.04
Depreciation and amortisation	-	-	(1,245.91)	(1,245.91)
Right-of-use and lease liability	-	2.29	-	2.29
Mark to market gains on mutual funds and derivative	-	-	(144.48)	(144.48)
Allowance for doubtful debts and advances	-	9.07	-	9.07
	-	**18.20**	**(1,390.39)**	**(1,372.19)**

Notes to the Standalone Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	As at 31st March 2021	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March 2022
Deferred tax assets/(liabilities) in relation to:				
Provision for gratuity	17.80	(29.27)	-	(11.47)
Provision for Leave encashment	2.10	(0.04)	-	2.06
Depreciation and amortisation	(1,144.00)	(6.69)	-	(1,150.69)
Right-of-use and lease liability	2.77	(0.58)	-	2.19
	(1,121.33)	**(36.58)**	-	**(1,157.91)**
Deferred tax assets/(liabilities) in relation to:		**Assets**	**Liabilities**	**Net**
Provision for gratuity		-	(11.47)	(11.47)
Provision for Leave encashment		2.06	-	2.06
Depreciation and amortisation		-	(1,150.69)	(1,150.69)
Right-of-use and lease liability		2.19	-	2.19
		4.25	**(1,162.16)**	**(1,157.91)**

Note 15

Trade payables

Rs. in Lakhs

Particulars	Current	
	As at 31st March 2023	As at 31st March 2022
Outstanding dues of micro enterprises and small enterprises	126.04	268.24
Outstanding dues of creditors other than micro enterprises and small enterprises	9,211.74	10,117.69
Total	**9,337.78**	**10,385.93**
Of the above;		
Acceptances	1,816.12	3,846.87
Payable to related party Rs. 2.93 Lakhs (Previous year Rs. 23.87 Lakhs) (Refer note 28 f)		

Trade payables ageing schedule

Rs. in Lakhs

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	126.04	-	-	-	-	126.04
	(268.24)	-	-	-	-	(268.24)
(ii) Others	5,892.52	3,263.42	43.84	4.46	7.50	9,211.74
	(5,260.44)	(4,841.59)	(9.28)	(6.38)	-	(10,117.69)
(iii) Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	6,018.56	3,263.42	43.84	4.46	7.50	9,337.78
	(5,528.68)	**(4,841.59)**	**(9.28)**	**(6.38)**	-	**(10,385.93)**

Previous year's figures are in bracket

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 16

Other liabilities

Rs. in Lakhs

Particulars	Current		Non-Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Contract liability (Advance from customers)	-	-	4,484.49	3,737.68
Statutory dues	-	-	862.75	171.56
Liabilities for expenses	-	-	548.98	257.09
Total	-	-	**5,896.22**	**4,166.33**

Footnotes:

(i) During the year ended 31st March, 2023, the company has recognised revenue of Rs. 3411.56 lakhs (Previous Year Rs. 4281.34 lakhs) arising from opening unearned revenue (contract liabilities).

(ii) Movement of contract liabilities is as under ;

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
As at beginning of the year	3,737.68	4,428.29
Recognised as revenue from contracts with customers	3,411.56	4,281.34
Advance returned back to customer	-	2.56
Advance from customers received during the year	4,158.37	3,593.29
Balance at the close of the year	**4,484.49**	**3,737.68**

Note 17

Revenue from operations

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations		
Sale of goods	62,820.93	49,289.85
Sale of services	1,305.21	1,041.22
Other operating revenues:		
Scrap sales	817.48	482.81
Miscellaneous	2.82	35.05
Total	**64,946.44**	**50,848.93**

Footnote:

(i) Movement of contract liabilities is as under ;

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Gross sales (Contracted price)	62,857.51	49,297.95
Reductions towards variable consideration (Discounts & delayed delivery charges)	36.58	8.10
Revenue recognised	**62,820.93**	**49,289.85**

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 18

Other income

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest income	41.99	80.59
Rent income	84.00	84.00
Dividend income	663.08	0.01
Export incentives	56.66	72.44
Net gain on sale of investments	-	110.82
Net gain on foreign currency transaction	169.31	131.86
Gain on sale of property, plant and equipment	41.32	26.33
Deferred income	-	63.18
Cessation of liability	8.14	16.72
Income from windmill	92.98	126.63
Share of profit in subsidiary (Firm)	-	642.18
Miscellaneous income	8.17	3.57
Total	**1,165.65**	**1,358.33**

Note 19

Cost of materials consumed

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock of raw materials	8,811.34	5,438.25
Purchases during the year	34,437.44	30,825.03
Closing stock of raw materials	(8,228.15)	(8,811.34)
Total	**35,020.63**	**27,451.94**

Note 20

Changes In inventories of finished goods and work-In-progress

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Closing stock:		
Finished goods	815.21	1,261.90
Work-in-progress	8,433.52	8,378.00
	9,248.73	**9,639.90**
Opening stock:		
Finished goods	1,261.90	1,114.11
Work-in-progress	8,378.00	6,730.22
	9,639.90	7,844.33
Total	**391.17**	**(1,795.57)**

Notes to the Standalone Financial Statements

As At 31st March 2023

Note 21

Employee benefits expense

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	4,359.22	3,365.12
Contribution to provident, gratuity and other funds	185.08	161.85
Staff welfare expense	361.41	264.03
Total	**4,905.71**	**3,791.00**

Note 22

Finance costs

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on loans	797.27	448.50
Interest on working capital facilities	768.80	286.57
Interest - others	113.57	92.46
Interest on unsecured loan	10.17	55.97
Exchange differences regarded as an adjustment to borrowing costs	288.86	-
Dividend on redeemable preference share	8.01	11.56
Other borrowing costs:		
Unwinding of discount relating to long term liabilities	167.91	228.78
Total	**2,154.59**	**1,123.84**

Note 23

Depreciation and amortisation expense

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation of property, plant and equipment	1,111.26	782.38
Depreciation of investment property	4.85	4.85
Amortisation of right- of -use assets	64.37	47.20
Amortisation of intangible assets	76.82	74.75
Total	**1,257.30**	**909.18**

Note 24

Other expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Stores and spares consumed	2,489.90	2,078.60
Power and fuel	2,673.65	2,253.74
Processing expenses	5,400.63	4,833.60
Rent	46.12	26.60

Notes to the Standalone Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Rates and taxes	67.38	66.64
Insurance expenses	119.06	93.74
Printing and stationery	59.00	38.62
Repairs and renewals:		
Buildings	123.43	130.89
Plant and machinery	387.92	226.16
Other assets	66.11	14.19
Travelling and conveyance	339.99	169.70
Communication expenses	72.48	57.37
Vehicle expenses	64.72	48.05
Auditors' remuneration:		
Statutory audit fees	17.00	17.00
Tax audit fees	2.00	2.00
Other fees	3.50	4.23
Director's sitting fee	4.07	5.10
Director's travelling	29.72	5.41
Sales promotion expenses	49.80	12.42
Bad debts written-off	0.03	0.32
Donation	6.15	0.85
Corporate social responsibility expense [Refer note 28(o)]	138.40	110.75
Security expenses	76.21	64.50
Commission	364.62	392.41
Freight and forwarding (Net)	1,136.29	946.00
Drawings and installation charges	0.48	-
Laboratory expenses	26.47	27.98
Packing expenses	65.84	34.49
Pollution control expenses	63.63	81.05
Expected credit loss provision	25.01	10.00
Provision for Doubtful Advances	11.02	-
Bank charges	144.14	148.49
Net loss on foreign currency transaction	-	-
Loss on disposal/Impairment of property, plant and equipment	-	35.45
Share of loss in subsidiary (Firm)	71.40	-
Legal and professional fees	465.62	364.90
Warranty expenses (Refer note 13)	164.63	135.62
Miscellaneous expenses	384.99	193.15
Total	**15,161.41**	**12,630.02**

Notes to the Standalone Financial Statements

As At 31st March 2023

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 Shareholders of the Company. The primary objective of the Company's Capital Management is to maximise the Shareholder's 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 2023	As at 31st March 2022
Interest bearing loans and borrowings	24,093.38	20,158.88
Less: Cash and short term deposits	934.95	1,110.05
Net debt	23,158.43	19,048.83
Equity	1,365.31	1,365.31
Other equity	31,527.19	26,766.80
Total capital	**32,892.50**	**28,132.11**
Capital and net debt	56,050.93	47,180.94
Gearing ratio %	41.32%	40.37%

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 and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

a) Market risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans , borrowings , foreign currency receivables and payables .

i) Interest rate risks

Interest rate risk can be either fair value interest rate or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rate. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Notes to the Standalone Financial Statements

As At 31st March 2023

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates are exposed to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported by the management of the Company is as follows.

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed-rate instruments		
Borrowings	9,591.07	10,336.60
Floating-rate instruments		
Borrowings	14,502.31	9,822.28

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.

Fair value sensitivity analysis for floating-rate instruments

The Company does not account for any floating-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

ii) Commodity Price Risks

The Company is affected by price stability of certain commodity due to significantly increase volatility of certain commodities , the Company has entered into contracts with the customers that has provision to pass on the change in raw material prices. The Company has risk management framework aimed at prudently managing the risk arising from volatility in commodity prices.

(b) Credit Risk Management

It is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

Notes to the Standalone Financial Statements

As At 31st March 2023

The ageing of trade receivables is as follows:

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
More than 6 months	1,293.76	894.49
Others	15,888.06	7,331.67
	17,181.82	8,226.16

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	14,297.64	7,360.47	2,435.27	-
		(7,221.98)	(8,697.14)	(4,239.76)	-
Trade payable	15	9,281.98	48.30	7.50	-
		(10,370.27)	(15.66)	-	-
Security deposit	12	0.62	1.03	-	-
		(1.67)	(0.90)	-	-
Employee benefit/ expense liabilities	12	633.15	-	-	-
		(378.65)	-	-	-
Unclaimed dividends	12	117.61	-	-	-
		(110.06)	-	-	-
Others	12	678.53	2,047.71	-	-
		(578.25)	-	-	-

Previous year's figures are in bracket

Notes to the Standalone Financial Statements

As At 31st March 2023

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 2023	As at 31st March 2022
Profit before tax from continuing operations	**7,221.28**	**8,096.85**
At India's statutory income tax rate of 25.17% (31 March, 2022: 25.17%)	1,817.60	2,037.98
Effect of income that is deductible/exempt from taxation	(758.02)	(161.80)
Effect of expenses not deductible for tax computation	438.59	(5.34)
Effect of different tax rates on dividend distribution by foreign subsidiary	66.31	-
Changes in recognised deductible temporary differences	214.27	36.55
Others (including actuarial impact on OCI)	0.26	12.98
	1,779.00	1,920.37

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 2023	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	-	-	14596.82	14,596.82	-	-	14,596.82	14,596.82
Trade Receivables	7	-	-	17,181.82	17,181.82	-	-	17,181.82	17,181.82
Loans	10	-	-	23.58	23.58	-	-	23.58	23.58
Others financial assets	4	574.08	-	469.73	1,043.81	-	574.08	469.73	1,043.81
Cash and cash equivalents	8	-	-	3.99	3.99	-	-	3.99	3.99
Bank balances other than above	9	-	-	1,048.57	1,048.57	-	-	1,048.57	1,048.57
Total		**574.08**	-	**33,324.51**	**33,898.59**	-	**574.08**	**33,324.51**	**33,898.59**
Financial liabilities									
Borrowings	11	-	-	24,093.38	24,093.38	-	24,093.38	-	24,093.38
Lease liabilities		-	-	320.43	320.43	-	-	320.43	320.43
Trade Payables	15	-	-	9,337.78	9,337.78	-	-	9,337.78	9,337.78
Other financial liabilities	12	-	-	3,478.65	3,478.65	-	-	3,478.65	3,478.65
Total		-	-	**37,230.24**	**37,230.24**	-	**24,093.38**	**13,136.86**	**37,230.24**

Notes to the Standalone Financial Statements

As At 31st March 2023

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	-	-	15,690.71	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
Total		-	-	**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	-	-	10,385.93	10,385.93	-	-	10,385.93	10,385.93
Other financial liabilities	12	-	-	1,069.53	1,069.53	-	-	1,069.53	1,069.53
Total		-	-	**31,984.84**	**31,984.84**	-	**20,158.88**	**11,825.96**	**31,984.84**

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.

3. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The Interest Rate swaps is valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

Notes to the Standalone Financial Statements

As At 31st March 2023

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Profit after taxation		
Profit for the period from continuing operations	5,542.83	6,420.24
Profit for the period from discontinuing operations	(100.55)	(243.76)
Weighted average number of equity shares for the purpose of calculation of earnings per share	68,265,480	68,265,480
EARNINGS PER EQUITY SHARE		
a. From continuing operations		
Basic	8.12	9.40
Diluted	8.12	9.40
b. From discontinuing operations		
Basic	(0.15)	(0.36)
Diluted	(0.15)	(0.36)

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 2023	As at 31st March 2022
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	126.04	268.24
(ii)	Interest accrued and due to suppliers on above amount, unpaid	2.28	1.18
(iii)	The amount of interest paid by the buyer in terms of Section16 of the MSMED Act,2006, along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	2.28	1.18
(vi)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act,2006	14.47	12.19

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.

Notes to the Standalone Financial Statements

As At 31st March 2023

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) 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.

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 2023	As at 31st March 2022
i) Employer's contribution to provident fund [Refer footnote (i)]	118.90	89.29
ii) Leave encashment - unfunded	25.90	64.08

Footnote:

(i) Included in "Contribution to provident, gratuity and other funds" (Note 21).

(ii) The valuation results for the defined benefit gratuity plan as at 31-3-2023 are produced in the tables below:

Notes to the Standalone Financial Statements

As At 31st March 2023

i) Changes in the present value of obligation

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Present value of obligation as at the beginning	**480.94**	**496.24**
Current service cost	46.41	47.17
Interest expense or cost	27.93	32.21
Liability transfer out	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(9.21)	(64.63)
- experience variance (i.e. actual experience vs assumptions)	1.68	13.20
Past service cost	-	-
Benefits paid	(31.12)	(43.25)
Present value of obligation as at the end	**516.62**	**480.94**

ii) Changes in the fair value of plan assets

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Fair value of plan assets as at the beginning	**366.45**	**336.17**
Investment income	25.07	21.82
Return on plan assets excluding interest income	(8.56)	0.15
Employer's contribution	24.12	51.56
Benefits paid	(31.12)	(43.25)
Fair value of plan assets as at the end	**375.96**	**366.45**

iii) Expenses recognised in the income statement

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Current service cost	46.41	47.17
Net interest cost / (income) on the net defined benefit liability / (asset)	2.86	10.39
Expenses recognised in the income statement	**49.27**	**57.56**

iv) Other comprehensive income

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial (gains) / losses		
- change in financial assumptions	(9.21)	(64.63)
- experience variance (i.e. Actual experience vs assumptions)	1.68	13.20
Adjustment of present value of obligation at the beginning of the year	-	-
Return on plan assets excluding interest income	8.56	(0.15)
Components of defined benefit costs recognised in other comprehensive income	**1.02**	**(51.58)**

Notes to the Standalone Financial Statements

As At 31st March 2023

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

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Funds managed by insurer	100%	100%
Investment in insurance Company		
Life Insurance Corporation of India	16%	15%
Reliance (Nippon Life insurance)	29%	35%
Bajaj Allianz	55%	50%

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 2023	As at 31st March 2022
Discount rate (per annum)	7.35%	6.84%
Salary growth rate	7.00%	7.00%

b. Demographic Assumptions

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Indian Assured Lives Mortality 2012-14 (Urban)	100.00%	100.00%
Withdrawal rates, based on age: (per annum)		
For service 4 years and below	20.00%	20.00%
For service 5 years and above	10.00%	10.00%
	-	7.95%*

* Withdrawal rate for glass lined equipment business.

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 2023	As at 31st March 2022
Defined Benefit Obligation (Base)	516.62	480.94

Notes to the Standalone Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	28.63	(25.54)	31.25	(27.65)
(% change compared to base due to sensitivity)	-94.5%	-104.9%	-93.5%	-105.8%
Salary Growth Rate (- / + 1%)	(25.25)	27.31	(27.31)	29.93
(% change compared to base due to sensitivity)	-104.9%	-94.7%	-105.7%	-93.8%
Employee Turnover Rate (- / + 1%)	(0.04)	(0.05)	1.55	(1.53)
(% change compared to base due to sensitivity)	-100.0%	-100.0%	-99.7%	-100.3%

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 2023	As at 31st March 2022
The Company's best estimate of Contribution during the next year	139.10	103.67
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	7 Years	8 Years

Rs. in Lakhs

Expected payments over the next (valued on undiscounted basis)	As at 31st March 2023	As at 31st March 2022
1 year	92.54	60.72
2 to 5 years	225.65	193.41
6 to 10 years	215.35	217.06
11 and above years	313.90	342.70

Notes to the Standalone Financial Statements

As At 31st March 2023

f) Related party disclosures

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

Names of other related parties and nature of relationship :

Direct Subsidiaries	
	Thaletec GmbH (Wholly owned subsidiary w.e.f. 17th December 2021) H L Equipments (Firm)
Step-down Subsidiary	
	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) Mr. Harsh Patel (01.10.2022 onwards) Mr. Achal Thakkar (Company Secretary & Compliance Officer) (10.05.2022 onwards) Ms. Dhwani Shah (Former Company secretary and compliance officer up to 31.01.2022) Mr. Naveen Kandpal (Chief Financial Officer) (01.03.2022 onwards) Mr. K V Unnikrishnan (Former Chief Financial Officer up to 31.03.2023)
	Non-Executive/Independent Directors Mr. Nilesh Patel Mr. Harsh Patel (till 30.09.2022) Ms Vijayanti Punjabi Mr. Yatish Parekh Mr. Sandeep Randery Mr. Jayesh Shah
Relatives of Key Management Personnel :	Swara R. Patel (daughter of Mr. Himanshu K. Patel) Priti H. Patel (spouse of Mr. Himanshu K. Patel) Sahil H. Patel (son of Himanshu K. Patel) Poonam H. Patel (daughter of Himanshu K. Patel) Hitesh C. Patel (brother in law of Mr. Himanshu K. Patel) Bhoomi A. Patel (spouse of Aalap N. Patel) Kishori N. Patel (wife of Mr. Nilesh K. Patel) Neha N. Patel (daughter of Nilesh K. Patel) Nidhi N. Patel (daughter of Nilesh K. Patel) Sheetal H. Patel (spouse of Harsh H. Patel)
Entities in which directors are interested:	Yashashvi Rasayan 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 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

Notes to the Standalone Financial Statements

As At 31st March 2023

Transactions with related parties (excluding reimbursements)

Rs. in Lakhs

Particulars	Transactions		Payable/(Receivable)/Closing Balances	
	For the year ended 31st March 2023	For the year ended 31st March 2022	As at 31st March 2023	As at 31st March 2022
I. Subsidiary Company:				
a. H. L. Equipments				
Sales of goods/services	150.55	1,832.97	-	0.33
Purchase of goods/services	1,423.39	315.83	-	15.70
Capital introduced	62.00	1,198.00	-	-
Capital withdrawn	1,084.49	830.00	-	-
Capital balance as on year ending	-	-	3,336.30	4,430.19
Share of (loss)/profit	71.40	642.18	-	-
Interest on capital	-	44.91	-	-
b. Thaletec GmbH				
Investment	-	11,260.52	11,260.52	11,260.52
Dividend income	663.08	-	-	-
II. Key management personnel :				
Remuneration [refer footnote (i)]	271.04	208.24	26.48	20.56
Commission	69.24	82.59	45.48	67.39
Rent expense	36.96	7.80	-	1.76
Dividend (Equity shares)	464.16	151.38	-	-
III. Relatives of KMP :				
Dividend (Equity shares)	15.87	232.65	-	-
Dividend (Preference shares)	0.32	0.43	-	-
Sitting fee	4.07	5.10	-	-
Rent expense	3.00	6.52	-	1.24
Purchase of goods/services	10.80	10.80	2.43	4.86
Redemption of Preference Shares	22.61	22.61	-	-
IV. Entities in which directors are interested:				
Sales of goods/services	555.76	898.71	(90.28)	(850.47)
Purchase of goods/services	14.93	2.75	0.50	0.31
Donation for corporate social responsibility activity	104.50	52.00	-	-
V. Entities in which relatives of KMP are interested:				
Balance as on year ending	-	-	-	150.00
Loan received	-	150.00	-	-
Loan repaid	150.00	-	-	-
VI. Gratuity fund				
Contribution	24.12	51.56	-	-
Plan assets as at the end	-	-	375.96	366.45

Notes to the Standalone Financial Statements

As At 31st March 2023

Footnotes:

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

(ii) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than unsecured loan at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Rs. Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

g) Segment Information

The operations of the Company are limited to two segment viz. (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment

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	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue :						
External sales	34,141.04	24,592.78	29,929.79	25,447.49	64,070.83	50,040.27
Other					875.61	808.66
Total external sales					**64,946.44**	**50,848.93**
Segment results :						
Profit before tax and interest	4,578.00	3,453.18	4,204.63	5,063.84	8,782.63	8,517.02
Less: Other unallocable expense net of unallocable income					(593.24)	(703.67)
Less: Interest expense					2,154.59	1,123.84
Profit before tax					**7,221.28**	**8,096.85**
Taxes					1,779.00	1,920.37

Notes to the Standalone Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	Filtration, drying and other equipment		Glass lined equipment		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Net profit after tax					**5,442.28**	**6,176.48**
Segment assets	32,165.53	26,161.88	27,131.72	20,259.26	59,297.25	46,421.13
Unallocated segment assets					18,452.57	19,295.98
Total assets					**77,749.82**	**65,717.12**
Segment liabilities	7,324.44	7,400.08	11,978.44	9,579.78	19,302.88	16,979.86
Unallocated segment liabilities					25,554.44	20,605.15
Total liabilities					**44,857.32**	**37,585.01**
Capital expenditure	4,226.69	3,293.54	4,781.67	1,381.18	9,008.36	4,674.72
Unallocated capital expenditure					-	18.33
Depreciation	649.95	325.20	546.42	482.88	1,196.37	808.08
Unallocated depreciation					60.93	101.10
Total Depreciation					**1,257.30**	**909.18**

Rs. in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Capital employed	32,892.50	28,132.11

Rs. in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Geographic information		
Revenue from customers		
India	61,226.46	47,322.24
Outside India	3,719.98	3,526.69
Total	64,946.44	50,848.93

Footnote:

(i) During the year as well as previous year, there is one customer with whom the company has earned turnover of more than 10% of its revenue (Rs. 10,466.60 lakhs during CY and Rs. 5,981.41 PY).

Notes to the Standalone Financial Statements

As At 31st March 2023

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	370.50	132.53
Additions during the year	-	263.40
Finance costs incurred during the year	31.97	20.83
Payments of Lease Liabilities	(82.04)	(46.26)
Closing Balance	**320.43**	**370.50**

(ii) The carrying value of the Rights-of-use and depreciation charged during the Year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note 2(b).

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Expenses related to Short Term Lease & Low Asset Value Lease	46.12	26.60
Total Expenses	**46.12**	**26.60**

(iv) Maturity analysis of lease liabilities

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	55.33	59.56
One to five years	140.44	157.53
More than five years	124.66	153.41
Total undiscounted Lease Liability	**320.43**	**370.50**
Balances of Lease Liabilities		
Non Current Lease Liability	265.10	310.94
Current Lease Liability	55.33	59.56
Total Lease Liability	**320.43**	**370.50**

Notes to the Standalone Financial Statements

As At 31st March 2023

i) Ratio

Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.25	1.34	-7.08%	
b) Debt equity ratio	Total debt(current and non current)	shareholders' equity	0.73	0.72	2.22%	
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	1.90	3.12	-39.10%	On account of increase in current portion of long-term borrowings and higher interest cost due to increased utilization of working capital borrowings
d) Return on equity %	Net profits after taxes	Average shareholder's equity	17.84%	27.70%	-35.62%	On account of increased net worth caused by equity issued in the previous year and retained earnings as well as the PAT for the year being lower due to higher raw material costs, interest and depreciation caused by additional capex incurred and put to use.
e) Inventory Turnover Ratio	Cost of goods sold	Average inventory	3.45	3.05	12.95%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	5.11	6.97	-26.65%	Due to higher sales in the last quarter of the financial year 2022-23.
g) Trade payables turnover ratio	Purchases of goods & services and other expenses	Average trade payables	3.49	3.71	-5.80%	
h) Net capital turnover ratio	Revenue from operations	Working capital	8.38	6.43	30.46%	Revenues higher by 28% without any significant increase in working capital.

Notes to the Standalone Financial Statements

As At 31st March 2023

Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance (in %)	Explanation for change of 25% or more
i) Net profit %	Net profit	Revenue from operations	8.38%	12.15%	-31.01%	Due to higher raw material cost as well as interest and depreciation caused by additional capex incurred and put to use.
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	16.15%	18.77%	-13.97%	
k) Return on investment %	Interest income, net gain on sale of investments and net fair value gain	Investments	0.00%	1.85%	-100.00%	No income on investments during the financial year as the temporary liquid investments have been redeemed.

j) Disclosure regarding derivative instruments and unhedged foreign currency exposure :

Particulars	Currency	As at 31st March 2023		As at 31st March 2022	
		Amount in Foreign Currency - In lakhs	Amount- In Rs. Lakhs	Amount in Foreign Currency - In lakhs	Amount- In Rs. Lakhs
Foreign Currency Loan	USD	88.79	7,296.07	94.71	7,084.92
Contract liability (Advance from customers)	USD	3.41	276.71	4.37	328.27
	EUR	0.33	29.74	-	-
Trade Payables	USD	0.48	39.85	0.60	46.10
	JPY	-	-	17.21	11.48
	EUR	0.32	28.26	0.20	17.19
Trade Receivables	USD	3.31	269.14	0.88	65.47
	EUR	1.71	153.00	0.70	60.23
Derivative Asset	USD	6.99	574.08	-	-
EEFC Accounts / Cash & Cash Equivalents	USD	0.02	1.24	-	-
Advances to suppliers	USD	5.15	425.07	0.70	52.03
	EUR	-	-	0.05	4.32
	CHF	0.00	0.41	-	-

k) Commitment

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for Rs. 408.51 lakhs (Previous Year Rs. 272.48 lakhs)

(ii) Letters of credit issued by the banks Rs. 2185.62 lakhs (Previous Year Rs. 3846.87 lakhs)

Notes to the Standalone Financial Statements

As At 31st March 2023

l) 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. 16.47 lakhs (Prevous Year Rs. 16.47 lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.19 lakhs(Prevous Year Rs. 5.19 lakhs).

(c) Disputed Service Tax for the period 2012 to 2015 is Rs. 29.07 lakhs (Previous Year Rs. 29.07 lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.09 lakhs(Prevous Year Rs. 5.09 lakhs).

(d) Disputed Service Tax for the period 2013 to 2017 is Rs. 22.92 lakhs (Previous Year Rs. 29.48 lakhs) pending before CESTAT, against which the Company has made payment of Rs. 4.01 lakhs(Prevous Year Rs. 5.16 lakhs).

m) 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 in the business of chemicals and has business estiblesment only in India.

c) 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, 2023.

d) Details of Property, Plant and Equipment are as under:

Rs. in Lakhs

Fixed Assets	As at 31st March 2023	As at 31st March 2022
Building	-	-
Plant & Machinery	703.33	786.20
Total Assets	**703.33**	**786.20**

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 2023

e) 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 31st March 2023	As at 31st March 2022
Revenue from operations	875.61	808.66
Other income	51.00	30.37
Depreciation on Assets	60.93	96.99
Other Expenses	966.23	985.80
Loss before tax	**(100.55)**	**(243.76)**

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

n) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 17.43 lakhs (Previous Year - Rs. 5.43 lakhs).

o) 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 2023	As at 31st March 2022
i)	Amount required to be spent by the Company during the year	137.80	101.35
ii)	Amount of expenditure incurred		
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (a) above	138.40	110.75
iii)	Shortfall/(excess) at the end of the year	(0.60)	(9.40)
iv)	Total of previous years shortfall	-	-
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	104.50	52.00
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	

Notes to the Standalone Financial Statements

As At 31st March 2023

p) **Subsequent events post balance sheet**

i) The Board has recommended dividend @ 55% (Rs. 1.10) per equity share and declared dividend @ 9.5% W(Rs. 0.38) per preference share at its meeting held on 29th May, 2023.

q) **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 LLP
Chartered Accountants
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

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, 2023, 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 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, 2023, 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.

Sr. No.	Key Audit Matter	Our Response
1	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Holding Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition 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. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Sr. No.	Key Audit Matter	Our Response
2	**Property, Plant & Equipment (Including Capex)** Tracking and monitoring capex requires more attention to ensure reasonable accurateness and completeness of financial reporting in respect of Property, plant and equipment. Further, technical complexities require management to assess and make estimates/judgements about capitalization, estimated useful life, impairment etc. which has material impact on Balance sheet and operating results. Refer note 2 to Standalone financial statements	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows; i. We assessed company's process regarding maintenance of records and accounting of transactions pertaining to property, plant and equipment including capital work in progress with reference to Indian Accounting Standard 16. ii. We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, Plant & Equipment iii. We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and equipment in accordance with Schedule II of the Companies Act, 2013. iv. We have relied on physical verification conducted by management and management representations.

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 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.

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 controls.
- 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 Holding 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.

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.

7. Other Matters

The Statement includes the financial statements and other financial information of one subsidiary (HL Equipments) whose financial results have been audited by us.

The consolidated audited financial statements include the financial statements of a foreign subsidiary, Thaletec GmBH, whose financial information have been prepared in accordance with accounting principles generally accepted in its country which have been reviewed 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.

The consolidated audited financial statements include the financial statements of a foreign step-down subsidiary (Thaletec USA Inc) whose financial information have been prepared in accordance with accounting principles generally accepted in its country which have been reviewed by the management 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 its country to accounting principles generally accepted in India. According to the information and explanations given to us by the Management, these financial results are not material to the Group for these financial statements. Our conclusion on the Statement is not modified in respect of this matter.

We did not audit the financial results and other financial information of one wholly owned subsidiary and one step-down subsidiary whose financial results reflect Group's share of total assets of Rs. 14,466.20 lakh as on 31st March 2023, total revenue of Rs. 27,512.46 lakh, total comprehensive income of Rs. 2,614.67 lakh respectively for the year ended 31st March 2023, as considered in the consolidated 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.

8. Report on Other Legal and Regulatory Requirements

8.1 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.

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, 2023 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, 2023 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 (j) to the Consolidated Financial Statements;

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

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 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 advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding 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 Holding 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 Holding 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

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Holding 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

vii. 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 Group we report that CARO is applicable only to the holding company and to no other companies/entities 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: 23036490BGXRYR2302

Place: Mumbai
Date: 29th May 2023

"Annexure A"

to the Independent Auditor's Report of Even date on the Consolidated Financial Statements of HEL 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 2023, 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 2023, 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 controls 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 controls 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 controls 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.

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 controls 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.

6. OTHER MATTERS

Our aforesaid report under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to subsidiary companies, incorporated in India, is based on the report of the auditors.

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

N Kashinath
Partner
Mem.No.36490
UDIN: 23036490BGXRYR2302

Place: Mumbai
Date: 29th May 2023

Consolidated Balance Sheet

as at 31st March 2023

Rs. in Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I) ASSETS			
1) Non-Current Assets			
a) Property, plant and equipment	2 (a)	29,902.09	22,503.74
b) Right of use assets	2 (b)	1,406.15	1,437.77
c) Capital work-in-progress	2 (c)	290.53	3,115.41
d) Investment property	2 (d)	137.17	142.02
e) Goodwill on consolidation	2 (e)	51.30	48.47
f) Other intangible assets	2 (f)	326.52	375.36
g) Financial assets;			
(i) Others financial assets	3	133.55	79.14
h) Deferred tax assets (Net)	5	-	38.71
i) Non current tax assets (net)		930.16	222.95
j) Other non-current assets	4	78.35	92.60
2) Current Assets			
a) Inventories	6	26,847.33	26,803.13
b) Financial assets;			
(i) Trade receivables	7	24,279.85	14,799.48
(ii) Cash and cash equivalents	8	268.24	2,492.98
(iii) Bank balances other than cash and cash equivalents	9	1,358.22	1,445.23
(iv) Loans	10	23.58	17.27
(v) Others financial assets	3	1,121.40	247.53
c) Other current assets	4	1,970.33	2,117.24
TOTAL ASSETS		**89,124.77**	**75,979.03**
II) EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	SOCE	1,365.31	1,365.31
b) Other equity	SOCE	31,304.32	23,987.53
c) Non controlling interest	SOCE	13.26	8.40
Total Equity		**32,682.89**	**25,361.24**
2) LIABILITIES			
i) Non-Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	9,837.24	12,982.23
(ii) Lease liabilities		736.76	765.57
(iii) Other financial liabilities	12	2,705.42	438.37
b) Other non-current liabilities	16	12.49	13.41
c) Provisions	13	1,848.81	1,981.74
d) Deferred tax liabilities (Net)	14	1,602.95	1,181.17
ii) Current Liabilities			
a) Financial liabilities			
(i) Borrowings	11	14,872.00	7,726.83
(ii) Lease liabilities		230.57	215.34
(iii) Trade payables	15		
Outstanding dues of micro enterprises and small enterprises		126.18	330.54
Outstanding dues of creditors other than micro enterprises and small enterprises		11,351.96	12,787.89
(iv) Other financial liabilities	12	1,429.91	1,082.19
b) Other current liabilities	16	10,819.41	10,259.83
c) Provisions	13	868.18	852.68
Total Liabilities		**56,441.88**	**50,617.79**
TOTAL EQUITY AND LIABILITIES		**89,124.77**	**75,979.03**
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
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Consolidated Statement of Profit and Loss

for the Year Ended 31st March 2023

Rs. in Lakhs

Particulars		Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I)	**INCOME**			
	a) Revenue from operations	17	93,152.21	65,221.82
	b) Other income	18	805.16	775.70
	TOTAL INCOME (a+b)		**93,957.37**	**65,997.52**
II)	**EXPENSES**			
	a) Cost of materials consumed	19	42,486.37	33,879.56
	b) Changes in inventories of finished goods and work-in-progress	20	776.07	(2,048.00)
	c) Employee benefits expense	21	14,755.73	6,727.04
	d) Finance costs	22	2,304.61	1,297.64
	e) Depreciation and amortisation expense	23	2,269.88	1,122.58
	f) Other expenses	24	21,431.90	15,676.00
	TOTAL EXPENSES (a to f)		**84,024.56**	**56,654.82**
III)	**PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEM**		**9,932.81**	**9,342.70**
VI)	Exceptional items (Refer note 28 d)		-	911.42
V)	**PROFIT BEFORE TAX (III-VI)**		9,932.81	8,431.28
IV)	**TAX EXPENSE**			
	a) Current tax		2,590.49	2,570.46
	b) Prior period tax		2.72	(1.69)
	c) Deferred tax		358.95	39.17
	TOTAL TAX EXPENSE(a+b)		**2,952.16**	**2,607.94**
VII)	**PROFIT FOR THE YEAR (V-VI)**		**6,980.65**	**5,823.34**
VIII)	Profit before tax for the period from continuing operations		10,033.36	8,675.04
IX)	Tax expense of continuing operations		2,952.16	2,607.94
X)	**Profit for the period from continuing operations (VIII-IX)**		**7,081.20**	**6,067.10**
XI)	Profit/ (Loss) before tax for the period from discontinuing operations		(100.55)	(243.76)
XII)	Tax expense of discontinuing operations		-	-
XIII)	**Profit for the period from discontinuing operations (XI+XII)**		**(100.55)**	**(243.76)**
XIV)	**PROFIT FOR THE YEAR (X+XIII)**		**6,980.65**	**5,823.34**
XV)	**OTHER COMPREHENSIVE INCOME (OCI)**			
	(A) Items that will not be reclassified to the Consolidated Statement of Profit and Loss			
	(a) Remeasurements of Defined benefit plans		234.13	187.70
	(b) Income tax relating to items that will not be reclassified to the Consolidated Statement of Profit and Loss		(73.70)	(55.90)
	(B) Items that will be reclassified to the Consolidated Statement of Profit and Loss			
	(a) Exchange difference in translating the financial statements of foreign components		857.64	(185.62)
	(b) Income tax relating to items that will be reclassified to the Consolidated Statement of Profit and Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (A+B)			**1,018.07**	**(53.82)**
XVI)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**7,998.72**	**5,769.52**
XVII)	**A. Profit attributable to:**			
	Owners of the parent		6,981.37	5,816.85
	Non-controlling interest		(0.72)	6.49
XVII)	**B. Other comprehensive income attributable to:**			
	Owners of the parent		1,018.07	(53.82)
	Non-controlling interest		-	-
XVII)	**C. Total comprehensive income for the year attributable to:**			
	Owners of the parent		7,999.44	5,763.03
	Non-controlling interest		(0.72)	6.49
XIII)	**EARNINGS PER EQUITY SHARE**	28(a)		
	a. From continuing operations			
	Basic		10.37	8.89
	Diluted		10.37	8.89
	b. From discontinuing operations			
	Basic		(0.15)	(0.36)
	Diluted		(0.15)	(0.36)

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
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Consolidated Statement of Changes in Equity

for the Year Ended 31st March 2023

Rs. in Lakhs

SHARE CAPITAL	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share of Rs. 2/- each [Previous year Rs. 10/- each]	9,00,00,000	9,000.00	1,80,00,000	1,800.00
Preference shares of Rs. 10/- each [Previous year Rs. 10/- each]	26,00,000	260.00	26,00,000	260.00
Issued , subscribed and fully paid-up share capital	6,82,65,480	1,365.31	1,36,53,096	1,365.31
Reconciliation of number of equity share outstanding				
Balance at the beginning of the year	1,36,53,096	1,365.31	1,30,75,480	1,307.55
Add: Increase in number of share on account of stock split [Refer footnote (c)]	5,46,12,384	-	-	-
Restated balance at the beginning of the period	6,82,65,480	1,365.31	1,30,75,480	1,308
Changes in equity share capital during the current year [Refer footnote (b)]	-	-	5,77,616	57.76
Balance at the end of the reporting year	**6,82,65,480**	**1,365.31**	**1,36,53,096**	**1,365.31**

Footnotes:

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

(a) The Company has only one class of equity share having par value of Rs. 2/- per share (Previous year 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 shareholders.

(b) 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."

(c) The Members, at the 31st Annual General Meeting of the Company held on 1st September, 2022, have approved the sub-division of the Equity Shares from face value of Rs. 10/- per share to face value of Rs. 2/- per share. The record date for the share split was 19th October, 2022. Accordingly, the basic and diluted earnings per share and the number of shares disclosed in note 28(a) have been computed for the current year and re-computed for the previous year based on the revised number of shares and face value of Rs. 2/- per equity shares.

Consolidated Statement of Changes in Equity

for the Year Ended 31st March 2023

(d) The company has declared final dividend aggregating to Rs. 682.65 lakhs [Rs. 5/- per share (pre-split)] during the FY 2022-23 [Previous year Rs. 538.43 lakhs (Rs.4/- per share)]

The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 are as follows:

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	No.	%	No.	%
Himanshu Khushalbhai Patel	17,978,535	26.34%	3,595,707	26.34%
Nilesh Khushalbhai Patel	18,195,635	26.65%	3,639,127	26.65%
Harsh Himanshu Patel	9,297,900	13.62%	1,859,580	13.62%

Increase in number of share is on account of stock split. [Refer footnote (c)]

The details of the shares held by promoters as at March 31, 2023 are as follows:

Promoter name	As at 31st March 2023			As at 31st March 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Promoter						
Himanshu Khushalbhai Patel	17,978,535	26.34%	-	3,595,707	26.34%	-
Nilesh Khushalbhai Patel	18,195,635	26.65%	-	3,639,127	26.65%	-
Harsh Himanshu Patel	9,297,900	13.62%	-	1,859,580	13.62%	-
Aalap Nilesh Patel	944,165	1.38%	-	188,833	1.38%	-
Promoter Group						
Priti Himanshubhai Patel	46,350	0.07%	-	9,270	0.07%	-
Kishoriben Nilesh Patel	81,110	0.12%	-	16,222	0.12%	-
Swara Rajeev Patel	1,460,025	2.14%	-	292,005	2.14%	-
	48,003,720	70.32%		9,600,744	70.32%	

Increase in number of share is on account of stock split. [Refer footnote (c)]

Consolidated Statement of Changes in Equity

for the Year Ended 31st March 2023

OTHER EQUITY

Rs. in Lakhs

Particulars	Reserves and Surplus						Equity component of compound financial interest	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 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/Conversion 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 31st March 2022	-	-	-	5,816.85	-		-	-			5,816.85	6.49
Other comprehensive income (Net of tax)	-	-	-		131.80		-	-			131.80	-
Movement during the year in Foreign Currency Translation Reserve										(185.62)	(185.62)	
Impact on acquisition 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**
Changes in accounting policy or correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to capital redemption reserve				(37.50)		37.50					-	
Other adjustment							37.50	(37.50)			-	
Profit for the current reporting year ending 31st March 2023				6,981.37							6,981.37	(0.72)
Other comprehensive income (Net of tax)					160.43						160.43	-
Movement during the year in Foreign Currency Translation Reserve										857.64	857.64	
Impact on acquisition of Thaletec GmbH											-	
Total comprehensive Income for the reporting year	**-**	**-**	**-**	**6,943.87**	**160.43**	**37.50**	**37.50**	**(37.50)**	**-**	**857.64**	**7,999.44**	**(0.72)**
Transactions with owners in their capacity as owners:												
Dividends												
Final dividend [Rs. 5/- per share (pre-split)]	-			(682.65)	-		-	-			(682.65)	-
Transfer to general reserve	-	2,000.00	-	(2,000.00)	-		-	-			-	-
Transfer during the year	-	-	-	-	-		-	-			-	5.58
Balance at the end of the reporting year ending 31st March 2023	**9,892.75**	**7,540.05**	**1.52**	**11,491.00**	**310.43**	**112.50**	**1,209.03**	**75.02**	**-**	**672.02**	**31,304.32**	**13.26**

Consolidated Statement of Changes In Equity

for the Year Ended 31st March 2023

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.
Capital redemption reserve	Capital redemption reserve is created by the company for redemption of preference share from its profits.
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.
Preference Share Capital	18,75,152 9.50% redeemable preference shares of Rs. 4/- each (Previous year Rs. 6/- each)
Money received against share warrants	Money against share warrant represents amount received against share warrants pending equity allotment.
Foreign currency translation reserve	The Foreign currency translation reserve represents all exchange differences arising from translation of Financial Statements of foreign operations.

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Consolidated Statement of Cash Flow

for the Year Ended 31st March 2023

Rs. in Lakhs

Particulars		Year ended 31 March 2023		Year ended 31 March 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	NET PROFIT BEFORE TAX		9,932.81		8,431.28
	Adjustment for :				
	Depreciation	2,269.88		1,122.58	
	Finance cost	2,304.61		1,297.64	
	Foreign currency unrealised (gain) (Net)	(168.46)		(118.54)	
	Expected credit loss	25.03		10.00	
	Provision for Doubtful Advances	11.32		-	
	Interest income	(47.57)		(59.51)	
	Dividend income	-		(0.01)	
	Rent Income	(37.60)		-	
	Deferred income	(0.92)		(65.95)	
	Bad debts written off	0.03		0.32	
	Remeasurements of defined benefit plans	234.13		187.70	
	Net gain on sale of financial assets	-		(110.82)	
	Sundry balance/provision written back	(30.87)		(30.83)	
	(Gain)/loss on sale & disposal of fixed assets	(84.14)	4,475.44	9.61	2,242.19
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**14,408.25**		**10,673.47**
	Trade receivables	(8,882.70)		(4,413.24)	
	Other current assets	315.59		(1,252.38)	
	Other financial assets	(261.42)		(15.06)	
	Loans and advances	(6.30)		1.83	
	Inventories	(29.22)		(5,937.85)	
	Trade payable	(2,264.50)		5,431.43	
	Provisions	(317.75)		19.58	
	Other non current financial liabilities	425.03		(349.22)	
	Other current financial liabilities	-		393.13	
	Other liabilities	388.44	(10,632.83)	(1,103.79)	(7,225.57)
	CASH GENERATED FROM OPERATIONS		**3,775.42**		**3,447.90**
	Direct taxes paid		(3,287.83)		(3,342.78)
	NET CASH FROM OPERATING ACTIVITIES		**487.59**		**105.12**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of PPE including capital work in progress and capital advance	(4,846.29)		(6,937.84)	
	Proceeds from sale of property, plant and equipment	717.54		118.62	
	(Investment) in subsidiaries	-		(11,261.67)	
	Increase / (decrease) in Fixed deposits with banks	45.75		611.73	
	Purchase of current investment	-		(6,000.00)	
	Proceeds from current investments	-		6,110.82	
	Interest income	41.22		60.71	
	Dividend income	-		0.01	
	NET CASH USED IN INVESTING ACTIVITIES		**(4,041.78)**		**(17,297.62)**

Consolidated Statement of Cash Flow

for the Year Ended 31st March 2023

Rs. in Lakhs

Particulars		Year ended 31 March 2023		Year ended 31 March 2022	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from working capital facilities (Net)	5,695.03		2,970.43	
	Proceeds from long-term borrowings	514.26		9,651.98	
	(Repayment)/Proceeds of/from Inter corporate loan (Net)	(150.00)		150.00	
	Proceeds from Issue of share capital/share warrants	-		6,083.18	
	Repayments of term loans	(2,194.53)		(1,180.22)	
	Redemption of preference share	(747.74)		(747.74)	
	Net movement in capital/equity	729.23		648.52	
	Interest paid	(1,840.52)		(1,067.02)	
	Dividend paid	(681.86)		(538.43)	
	Contribution by Non controlling interest	5.58		9.93	
	NET CASH FROM FINANCING ACTIVITIES		**1,329.45**		**15,980.63**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,224.74)**		**(1,211.87)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**2,492.98**		**1,049.22**
	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		**268.24**		**2,492.98**

Footnotes:

(i) The above cash flow statement has been prepared under the indirect method.

(ii) Reconciliation of financing liabilities.

Rs. in Lakhs

	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening balance	**20,709.06**	**9,323.64**
Cash (outflow)/inflow in/from non-current borrowings	(3,144.99)	7,463.64
Cash inflow from current borrowings	7,145.17	3,921.78
Closing balance	**24,709.24**	**20,709.06**

As per our report of even date attached

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

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 1 - Significant Accounting Policies under IND AS

A) Corporate Information

The consolidated financial statements comprise financial statements of HLE Glascoat Limited (the 'Company') and its subsidiaries (collectively the "Group") for the year ended 31st March, 2023. The Company was incorporated on 26th August, 1991 and is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India: the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The registered office of the Company is located at H – 106, G.I.D.C. Estate, Vitthal Udyognagar – 388121, District Anand, Gujarat. The group has a direct subsidiary in Germany and a step-down subsidiary in USA.

The Group 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) Filtration, drying and other Equipment – Manufacturing of Agitated Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories.

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 consolidated financial statements comprise the financial statements of the Company and all the entities which are controlled by it i.e. subsidiaries. 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 entirely 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 respective 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 recognized 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 2023 is as follows:

Subsidiaries Company

- H L Equipments - Partnership Firm - 99%
- Thaletec GmbH - Limited Liability Company - 100% (w.e.f. 17th December '2021)

Step-down subsidiary Company

- Thaletec USA Inc, - Limited Liability Company- 100% (w.e.f. 17th December 2021)

The foreign subsidiaries follow calendar year as a fiscal year. For consolidation purpose foreign subsidiary's books of account are converted from IFRS (International Financial Reporting Standards) / US GAAP 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 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

Notes to the Consolidated Financial Statements

As At 31st March 2023

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, 2023 were approved for issue in accordance with a resolution of the directors on 29th May, 2023.

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 recognized 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. 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 2023

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(c))

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') recognized 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

Notes to the Consolidated Financial Statements

As At 31st March 2023

discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (as per Sr. No. 16 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 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 derecognized 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 derecognized 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 recognized in Consolidated Statement of Profit and Loss when asset is derecognized.

The depreciable amount of an asset is determined after deducting its residual value. 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 when the asset is classified as held for sale in accordance with IND AS 105 and the date when the asset is derecognized.

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
- Building	10 years
- Operating and Office Equipment's	3 to 10 Years
Intangible:	
Software	3-5 Years
Technical Know How	10 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates. Depreciation on all assets is provided on straight line basis. Plant and Machinery, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization 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 derecognized 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

Notes to the Consolidated Financial Statements

As At 31st March 2023

difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

3) Capital work-in-progress ('CWIP') and intangible assets under development:

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

4) Investment Property:

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognized at cost including transaction costs. Subsequently investment properties comprising building are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note C.1 above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Consolidated Statement of Profit and Loss when the changes arise.

An investment property is derecognized when either the investment property has been disposed of or does not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Consolidated Statement of Profit and Loss in the period of de-recognition.

5) Impairment of tangible (PPE) and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognized in the Consolidated 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 recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in the Consolidated Statement of Profit and Loss.

6) Inventories:

Inventories consisting of stores and spares, raw materials, Work in progress and finished goods are valued at lower of cost and net realizable 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 realizable 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.

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 Consolidated 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.

7) Leases:

The Group as a lessee

The Group lease asset classes primarily consist of leases for land, buildings 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.

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.

Notes to the Consolidated Financial Statements

As At 31st March 2023

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.

8) **Government Grants:**

Grants and subsidies from the government are recognized 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 recognized as income on a systematic basis in the Consolidated 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 recognized as income in equal amounts over the expected useful life of the related asset.

9) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized 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 years of a provision to be reimbursed, the reimbursement is recognized 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 recognized as a finance cost.

Present obligations arising under onerous contracts are recognized 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 recognized 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 recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

10) **Foreign Currency Translation:**

The financial statements of the Group are presented in INR.

(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 recognized 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 recognized 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 are recognized in

Notes to the Consolidated Financial Statements

As At 31st March 2023

OCI and 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), 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 recognized in the Consolidated Statement of Profit and Loss.

11) 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.

12) Dividend Distribution to equity shareholders:

The Group recognizes a liability to make dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the Company. In the case of a final dividend, a distribution is authorized when it is approved by the shareholders. In the case of an interim dividend, a distribution is authorized when it is approved by the Company's Board of Directors. A corresponding amount is recognized directly in other equity along with any tax thereon, if applicable.

13) 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, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

14) Revenue Recognition:

The Group derives revenues primarily from sale of goods comprising of (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 Filters and Dryers, Rotary Vacuum Paddle Dryers, other Chemical Process Equipment and related spares and accessories, and (iii) Chemicals.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/product/prompt payment discounts and schemes offered by the company as part of the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

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

Notes to the Consolidated Financial Statements

As At 31st March 2023

are entered into before construction of the equipment begins. Under the terms of the contracts, the subsidiary has an enforceable right to payment for work done. The constructed equipment does not have any alternative use for the subsidiary and is accordingly recognized 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 recognized 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.

- Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/ product/prompt payment discounts and schemes offered by the company as part of the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers

Sale of Scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

15) Other Income:

Dividend Income

Dividend Income is accounted for when Group's right to receive the income is established.

Interest Income:

Interest Income is recognized on a time-proportion basis.

16) 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

Notes to the Consolidated Financial Statements

As At 31st March 2023

necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognized 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 costs incurred on specific borrowings are capitalized to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalization 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 capitalization of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

17) 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 recognized 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 Consolidated Statement of Profit and 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 recognizes 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 Consolidated 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 recognized 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 Consolidated 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 recognized in the Consolidated Statement of Profit and Loss except

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 recognized as an expense when employees have rendered the service entitling them to the contribution.

18) Taxes on Income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized 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) and 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized.

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 realized, 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.

19) Earnings per Share:

Basic earnings per share are calculated by dividing the total profit attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Basic earnings per share are calculated separately for both continuing and discontinuing operations.

20) 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 realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,

Notes to the Consolidated Financial Statements

As At 31st March 2023

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

21) 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.

22) 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 recognizes 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 recognized 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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 recognized in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

The Group measures the trade receivable at their transaction price, if the trade receivable do not contain a significant financing component.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated 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 recognized in the other comprehensive income (OCI). However, the Group recognizes 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 recognized 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 Consolidated Statement of Profit and Loss.

Derecognition

The Group derecognizes 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 recognizes 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:

Notes to the Consolidated Financial Statements

As At 31st March 2023

- Financial assets that are measured at amortized cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognizes 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).

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Consolidated 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 recognized 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 recognized in the Consolidated 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 Amortized Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. 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 Effective Interest Rate. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Consolidated 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 derecognized 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

Notes to the Consolidated Financial Statements

As At 31st March 2023

is recognized in the Consolidated 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Segment Reporting:

The Group identifies segments as operating segments whose operating results are regularly reviewed by the Management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from operating activities of the business segment. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities, respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

23) Amendments to Schedule III of Companies Act, 2013:

Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable.

24) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

a) **IND AS 1 – Presentation of Financial Statements –** This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

b) **IND AS 8 –** Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

c) **IND AS 12 –** Income Taxes - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

25) Report on Other Legal and Regulatory Requirements:

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 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	6,196.68	2,241.97	-	-	-	-	-	2,115.66	-	10,917.83
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**	**11,776.70**	**9,416.51**	**536.91**	**556.27**	**495.22**	**234.52**	**608.70**	**2,358.36**	**196.22**	**28,271.61**
Additions	3,784.07	2,656.04	1,655.15	-	162.47	203.76	99.63	133.64	654.08	124.40	9,473.24
Disposals	(215.65)	(273.03)	(316.28)	-	(2.42)	(19.73)	(5.50)	(137.26)	(69.64)	(7.89)	(1,047.40)
Exchange fluctuations	21.24	374.61	131.03	-	-	-	-	-	125.93	-	652.81
Carrying value as at 31 March 2023	**5,681.86**	**14,534.32**	**10,886.41**	**536.91**	**716.32**	**679.25**	**328.65**	**605.08**	**3,068.73**	**312.73**	**37,350.26**
Depreciation Block											
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	1,225.77	-	-	-	-	-	1,370.97	-	2,665.18
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**	**2,327.82**	**289.23**	**188.86**	**178.57**	**90.05**	**329.45**	**1,571.79**	**115.60**	**5,767.85**
Depreciation / Amortisation for the year	-	593.59	710.72	14.17	49.86	62.92	28.51	58.33	362.71	50.38	1,931.19
Disposals	-	(98.38)	(103.64)	-	(1.13)	(3.79)	(0.86)	(133.88)	(66.48)	(5.64)	(413.80)
Exchange fluctuations	-	1.91	76.24	-	-	-	-	-	84.78	-	162.93
Accumulated depreciation / Amortisation as at the 31 March 2023	**-**	**1,173.60**	**3,011.14**	**303.40**	**237.59**	**237.70**	**117.70**	**253.90**	**1,952.80**	**160.34**	**7,448.17**
Net Block											
As at 31 March 2022	**2,092.20**	**11,100.22**	**7,088.69**	**247.68**	**367.41**	**316.65**	**144.47**	**279.25**	**786.57**	**80.62**	**22,503.74**
As at 31 March 2023	**5,681.86**	**13,360.72**	**7,875.27**	**233.51**	**478.73**	**441.55**	**210.95**	**351.18**	**1,115.93**	**152.39**	**29,902.09**

Footnotes:

(i) The amount of borrowing cost capitalised during the year ended 31st March 2023: Rs. Nil lakhs (Previous Year Rs. 50.41 lakhs).

(ii) 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 2023

Note 2 (b): Right of use asset

Rs. in Lakhs

Particulars	Land	Operating and office equipment	Buildings	Total
Gross Block				
Carrying value as at 31 March 2021	**644.40**	**-**	**-**	**644.40**
Additions	269.62	46.10	-	315.72
On acquisition	-	498.51	376.15	874.66
Disposals	-	(22.30)	-	(22.30)
Carrying value as at 31 March 2022	**914.02**	**522.31**	**376.15**	**1,812.48**
Additions / adjustments	-	174.39	25.87	200.26
Disposals / adjustments	(1.60)	(132.88)	-	(134.48)
Exchange fluctuations	-	30.53	21.98	52.51
Carrying value as at 31 March 2023	**912.42**	**594.35**	**424.00**	**1,930.77**
Depreciation Block				-
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	46.56	268.21
Disposals / adjustments	-	(22.30)	-	(22.30)
Accumulated depreciation / Amortisation as at 31 March 2022	**79.35**	**248.80**	**46.56**	**374.71**
Depreciation / Amortisation for the year	64.37	158.61	41.77	264.75
Disposals / adjustments	-	(132.12)	-	(132.12)
Exchange fluctuations	-	14.56	2.72	17.28
Accumulated depreciation / Amortisation as at 31 March 2023	**143.72**	**289.85**	**91.05**	**524.62**
Net Block				
As at 31 March 2022	**834.67**	**273.51**	**329.59**	**1,437.77**
As at 31 March 2023	**768.70**	**304.50**	**332.95**	**1,406.15**

Note 2 (c): Capital work-in-progress

Rs. in Lakhs

Particulars	Total
As at 31 March 2022	3,115.41
As at 31 March 2023	**290.53**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Capital work-in-Progress ageing schedule

Rs. in Lakhs

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	290.53	-	-	-	290.53
	(125.38)	(2,990.03)	-	-	(3,115.41)
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Previous year's figures are in bracket.

Footnotes:

(i) There were no material projects which have exceeded their original planned cost and timelines.

(ii) The amount of borrowing cost capitalised during the year ended 31st March 2023: Rs. 0.18 lakhs (Previous Year Rs. 37.57 lakhs).

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**
Additions	-
Disposals	-
Carrying value as at 31 March 2023	**153.17**
Depreciation Block	-
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**
Depreciation / Amortisation for the year	4.85
Disposals	-
Accumulated depreciation / Amortisation as at 31 March 2023	**16.00**
Net Block	-
As at 31 March 2022	**142.02**
As at 31 March 2023	**137.17**

Footnote:

(i) The amount of rent income from investment property during the year ended 31st March 2023: Rs. 18.72 lakhs (Previous Year Rs. 18.72 lakhs)

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 2 (e) : Goodwill on consolidation

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening carrying value	48.47	-
On acquisition	-	48.47
Exchange fluctuations	2.83	-
Closing carrying value	**51.30**	**48.47**

Note 2 (f) : Other intangible assets

Rs. in Lakhs

Particulars	Computer Software	Technical Know How	Total
Gross Block			
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**
Additions	53.56	0.75	54.31
Disposals			-
Exchange Fluctuations	12.15		12.15
Carrying value as at 31 March 2023	**386.50**	**586.25**	**972.75**
Depreciation Block			
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**
Depreciation / Amortisation for the year	**49.76**	**56.94**	**106.70**
On acquisition			-
Disposals			-
Exchange Fluctuations	8.60	-	8.60
Accumulated depreciation / Amortisation as at 31 March 2023	**287.35**	**358.88**	**646.23**
Net Block			
As at 31 March 2022	**33.44**	**226.62**	**375.36**
As at 31 March 2023	**99.15**	**227.37**	**326.52**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 3

Other financial assets (Secured, considered good)

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
At amortised cost				
Security deposits	72.71	67.12	3.21	3.21
Bank deposits with more than 12 months maturity	60.84	12.02	-	-
Others:				
Interest accrued on loans and deposits	-	-	21.69	15.96
Income receivable	-	-	71.89	31.62
Balance with Government authorities	-	-	282.34	142.71
Export benefit receivable (Duty drawback)	-	-	168.19	54.03
At FVTPL				
Derivative Asset	-	-	574.08	-
Total	**133.55**	**79.14**	**1,121.40**	**247.53**

Note 4

Other assets (Unsecured, considered good)

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Capital advances	78.17	92.41	-	-
Advances to employees	-	-	13.78	1.20
Advances to suppliers	-	-	1,045.69	689.37
Considered doubtful	-	-	11.02	8.69
Less: Provision for doubtful advances	-	-	(11.02)	(8.69)
Sub Total	**78.17**	**92.41**	**1,059.47**	**690.57**
Others				
Balance with Government authorities	-	-	363.25	1,194.79
Balance with Government authorities (considered doubtful)	-	-	-	9.44
Less: Provision for doubtful advances	-	-	-	(9.44)
Prepaid expenses	0.18	0.19	516.32	197.78
Others	-	-	31.29	34.10
Sub Total	**0.18**	**0.19**	**910.86**	**1,426.67**
Total	**78.35**	**92.60**	**1,970.33**	**2,117.24**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 5

Deferred Tax Assets - (Net)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
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 (at lower of cost & net realizable value)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Raw materials	14,433.84	13,388.21
Work-in-progress	10,829.97	11,010.73
Finished goods	815.21	1,410.52
Stores and spares	768.31	993.67
Total	**26,847.33**	**26,803.13**

Footnotes:

(i) Inventories includes goods in transit:

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Finished goods	307.68	227.27

(ii) The cost of inventories expensed during the year includes Rs. Nil (Previous Year Rs. Nil) in respect of write-down of inventories to net realisable value.

(iii) Inventories have been offered as security against the working capital facilities provided by the bank.

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 7

Trade receivables

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables		
Unsecured, considered good [refer footnote (a)]	24,279.85	14,799.48
Credit impaired	63.67	40.38
Less: Impairment provision on expected credit loss model	(63.67)	(40.38)
Total	**24,279.85**	**14,799.48**

Footnotes:

(i) Of the above, trade receivable due from related party Rs. 90.28 lakhs (Previous Year Rs. 852.29 lakhs) (refer note no. 28 d)

(ii) The company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and future foreseeable credit loss and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

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	More than 3 years	
Undisputed – considered good	12,334.82	10,603.18	1,129.60	203.61	8.64	-	24,279.85
	(6,618.24)	(5,857.13)	(1,921.71)	(329.53)	(72.87)		(14,799.48)
Undisputed - considered significant increase in credit risk	-	3.79	7.16	10.88	26.64	15.20	63.67
	-	(10.85)	(0.32)	(12.03)	(17.18)		(40.38)
Less - Allowance for expected credit loss	-	3.79	7.16	10.88	26.64	15.20	63.67
	-	(10.85)	(0.32)	(12.03)	(17.18)		(40.38)
Total	**12,334.82**	**10,603.18**	**1,129.60**	**203.61**	**8.64**	-	**24,279.85**
	(6,618.24)	**(5,857.13)**	**(1,921.71)**	**(329.53)**	**(72.87)**	-	**(14,799.48)**

Footnote:

Previous year's figures are in bracket

Note 8

Cash and cash equivalents (As per cash flow statement)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks (of the nature of cash and cash equivalents)	264.25	2,490.53
Cash on hand	3.99	2.45
Total	**268.24**	**2,492.98**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 9

Bank balances other than cash and cash equivalents

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Margin money deposits with bank (Under lien)	1,240.61	1,335.17
Unclaimed dividend account	117.61	110.06
Total	**1,358.22**	**1,445.23**

Note 10

Loans

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good		
Loans to employees	23.58	17.27
Total	**23.58**	**17.27**

Note 11

Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
NON CURRENT		
Secured		
Term loans (At amortized cost)		
from banks and financial institutions	9,142.12	11,690.48
Interest accrued on term loan	41.50	45.33
Preference share liability (At amortised cost)		
18,75,152 9.50% redeemable preference shares of Rs. 4/- each (Previous year Rs. 6/- each)	653.62	1,246.42
Unsecured (At amortized cost)		
Interest accrued on unsecured loan	-	-
Sub - Total	**9,837.24**	**12,982.23**
CURRENT		
Secured (At amortized cost)		
Current maturities of long-term debt	5,099.28	2,390.63
Loans repayable on demand		
from banks and financial institutions	9,772.72	5,186.20
Unsecured (At amortized cost)		
Inter corporate loan (Refer note no. 28 f)	-	150.00
Sub - Total	**14,872.00**	**7,726.83**
Total	**24,709.24**	**20,709.06**

Notes to the Consolidated Financial Statements

As At 31st March 2023

The quarterly returns or statements filed by the Company for working capital limits with its bankers are in agreement with the books of account of the Company except for statements filed for quarters June, 2022 and September, 2022, where the variances were observed in the value of inventory between the amount reported as per the books of account for respective quarters and amount as reported in the quarterly statements. The stock reported to the Banks in these quarters was lower compared to the books (June 2022 quarter the value of inventory was reported lower by Rs. 2,075.98 lakhs and September 2022 quarter the value of inventory was reported lower by Rs. 2,341.48 lakhs) This was mainly due to the fact that value of inventory which was in transit, discontinued operations inventory and difference due to valuation of inventory due to valuation as per accounting standard, which is normally done at the time of limited review/ audit. Since the inventory value reported was lower the Company has not revised the stock statement that it had already submitted.

Non-Current Borrowings

1) Term Loan(s) from Bajaj Finance Limited are secured by mortgage of certain immovable property(ies) owned by the Promoters. The Term Loans are repayable in 76 and 79 quarterly instalments commencing from November, 2017 and May, 2018 respectively and carries an interest of 11.60% p.a. (March 31, 2022: 10.75% p.a.) payable monthly.

2) Term Loan from HDFC Bank Limited is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 equal monthly instalments commencing from September, 2022 and carries an interest of 8.40% p.a. (March 31, 2022: 7.95% p.a.) payable monthly.

3) Term Loan from Citibank N.A. is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 16 equal quarterly instalments from April, 2022 and carries an interest of 11.74% p.a. (March 31, 2022: 8.25% p.a) payable monthly.

4) Term Loan (foreign currency loan) from Citibank N.A. is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 16 equal quarterly instalments commencing from March, 2023 and carries an interest of 2.50% p.a. (March 31, 2022: 2.50% p.a.) payable monthly.

5) Term Loan(s) from State Bank of India are secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 Loans are repayable in 78 and 48 equal monthly instalments commencing from October, 2019 and October, 2020 respectively and carries an interest of 9.80% p.a. and 10.05% p.a. (March 31, 2022: 9.80% p.a. and 10.05% p.a.) respectively payable monthly.

6) Term Loan from ICICI Bank is secured by first pari passu charge on the entire present and future movable (plant and machinery) 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 48 equal monthly instalments commencing from March 2024 and carries an interest of 9.15% p.a. (March 31, 2022: Nil) payable monthly.

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 and ranges from 6.25% p.a to 10.00% p.a. (March 31, 2022: 6.25% p.a to 10.00% p.a.)

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.43% p.a. [March 31, 2022: 7.90% p.a.] and for other facilities is SOFR plus 250 bps [March 31, 2022: LIBOR plus 250 bps].

2) Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured by first 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2022: 9.25% p.a.]

3) Working capital facilities including packing credit and foreign bill discounting from ICICI Bank Limited are secured by first 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of interest for cash credit is 9.25% p.a. [March 31, 2022: 9.25% p.a.]

4) 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 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 and second pari passu charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Company. The rate of Interest for cash credit is 7.95% p.a. [March 31, 2022: 7.95% p.a.]

5) **Debt owed by H.L Equipment:**

   Working capital facilities including packing credit and foreign bill discounting from Citibank N.A. are secured against exclusive 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 Firm and second charge on the entire present and future movable (plant and machinery) and immovable fixed assets of the Firm. The rate of interest for cash credit is 9.25% p.a. [March 31, 2022: 9.25% p.a.]

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 1,000.00. The rate of interest is 2.5% p.a. [March 31, 2022: Nil] and is payable monthly.

7) The unsecured loans from related parties, in which directors are interested, are carrying interest @ 9.00% p.a., [March 31, 2022: 9.00% p.a.] and are repayable on demand.

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 12

Other financial liabilities

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Unclaimed dividends	-	-	117.61	110.06
Others :				-
Security deposit	1.03	0.90	0.62	1.67
Employee related payable	656.68	437.47	633.15	392.21
Retention money	-	-	-	81.88
Capital creditors	2,047.71	-	678.53	496.37
Total	**2,705.42**	**438.37**	**1,429.91**	**1,082.19**

Note 13

Provisions

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits				
Gratuity	-	-	140.65	114.49
Leave benefits	62.61	54.68	15.38	39.20
Partial retirement	293.34	283.00	-	-
Other benefits	63.08	76.00	-	-
Pension	574.93	778.31	-	-
Provision for unexpired warranty	199.82	173.80	314.75	266.98
Other	655.03	615.95	397.40	432.01
Total	**1,848.81**	**1,981.74**	**868.18**	**852.68**

Footnotes:

(i) Movement of provision for unexpired warranty

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	440.78	80.77
Add: Additional provision made during the year	189.30	157.83
Add: On acquisition	-	317.57
Less: Provision amount used during the year	115.51	115.39
Closing balance	**514.57**	**440.78**

Notes to the Consolidated Financial Statements

As At 31st March 2023

(ii) Movement of provision for employee benefits

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening balance	1,345.68	229.25
Additional/(Deduction) provision made during the year	45.29	103.90
Add: On acquisition	-	1,107.50
Less: Provision amount used during the year	240.98	94.97
Closing balance	**1,149.99**	**1,345.68**

Note 14

Deferred tax liabilities - (Net)

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liabilities	1,768.83	1,200.14
Deferred tax assets	(165.88)	(18.97)
Total	**1,602.95**	**1,181.17**

Rs. in Lakhs

Particulars	As at 31st March 2022	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March 2023
Deferred tax assets/(liabilities) in relation to:				
Provision for gratuity	(11.47)	127.83	-	116.36
Provision for Leave encashment	6.69	(5.65)	-	1.04
Depreciation and amortisation	(1,188.67)	(38.84)	-	(1,227.51)
Right-of-use and lease liability	2.19	0.10	-	2.29
Mark to market gains on mutual funds and derivative	-	(154.57)	-	(144.48)
Provision and current liabilities	-	-	-	34.45
Contract assets / contract liabilities	-	-	-	(383.39)
Allowance for doubtful debts and advances	10.09	1,192.91	-	11.74
Business loss	-	(13.45)	-	(13.45)
	(1,181.17)	**1,108.33**	**-**	**(1,602.95)**
Deferred tax assets/(liabilities) in relation to:		**Assets**	**Liabilities**	**Net**
Provision for gratuity	-	116.36	-	116.36
Provision for Leave encashment	-	1.04	-	1.04
Depreciation and amortisation	-	-	(1,227.51)	(1,227.51)
Right-of-use and lease liability	-	2.29	-	2.29
Mark to market gains on mutual funds and derivative	-	-	(144.48)	(144.48)
Provision and current liabilities	-	34.45	-	34.45
Contract assets / contract liabilities	-	-	(383.39)	(383.39)
Allowance for doubtful debts and advances	-	11.74	-	11.74
Business loss	-	-	(13.45)	(13.45)
	-	**165.88**	**(1,768.83)**	**(1,602.95)**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	As at 31st March 2021	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March 2022
Deferred tax assets/(liabilities) in relation to:				
Provision for gratuity	17.80	(29.27)	-	(11.47)
Provision for Leave encashment	5.04	1.65	-	6.69
Depreciation and amortisation	(1,183.36)	(5.31)	-	(1,188.67)
Right-of-use and lease liability	2.77	(0.58)	-	2.19
Allowance for doubtful debts and advances	10.09	-	-	10.09
	(1,147.66)	**(33.51)**	-	**(1,181.17)**
Deferred tax assets/(liabilities) in relation to:		**Assets**	**Liabilities**	**Net**
Provision for gratuity	-		(11.47)	(11.47)
Provision for Leave encashment	-	6.69		6.69
Depreciation and amortisation	-		(1,188.67)	(1,188.67)
Right-of-use and lease liability	-	2.19	-	2.19
Allowance for doubtful debts and advances	-	10.09	-	10.09
	-	**18.97**	**(1,200.14)**	**(1,181.17)**

Note 15

Trade payables

Rs. in Lakhs

Particulars	Current	
	As at 31st March 2023	As at 31st March 2022
Outstanding dues of micro enterprises and small enterprises	126.18	330.54
Outstanding dues of creditors other than micro enterprises and small enterprises	11,351.96	12,787.89
Total	**11,478.14**	**13,118.43**
Of the above;		
Acceptances	21,418.43	3,846.87
Payable to related party Rs. 2.93 Lakhs (Previous year Rs. 8.17 Lakhs) (Refer note 28 d)		

Trade payables ageing schedule

Rs. in Lakhs

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	126.18	-	-	-	-	126.18
	(330.54)	-	-	-	-	(330.54)
(ii) Others	7,934.35	3,361.28	44.37	4.46	7.50	11,351.96
	(6,500.60)	(6,270.10)	(10.81)	(6.38)	-	(12,787.89)
(iii) Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**8,060.53**	**3,361.28**	**44.37**	**4.46**	**7.50**	**11,478.14**
	(6,831.14)	**(6,270.10)**	**(10.81)**	**(6.38)**	-	**(13,118.43)**

Previous year's figures are in bracket

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 16

Other liabilities

Rs. in Lakhs

Particulars	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Contract liability (Advance from customers)	-	-	9,133.41	9,174.83
Statutory dues	-	-	770.21	492.09
Liabilities for expenses	-	-	854.12	356.47
Unamortised Government grant	12.49	13.41	-	-
Other	-	-	61.67	236.44
Total	**12.49**	**13.41**	**10,819.41**	**10,259.83**

During the year ended 31st March, 2023, the company has recognised revenue of Rs. 8853.83 lakhs (Previous Year Rs. 4631.42 lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under ;

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
As at beginning of the year	9,174.83	4,778.86
Recognised as revenue from contracts with customers	8,853.83	4,631.42
Advance returned back to customer	-	2.56
Advance from customers received during the year	8,812.41	9,029.95
Balance at the close of the year	**9,133.41**	**9,174.83**

Note 17

Revenue from operations

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations		
Sale of goods	91,027.40	63,694.00
Sale of services	1,299.58	935.02
Other operating revenues:		
Scrap sales	822.41	557.75
Miscellaneous	2.82	35.05
Total	**93,152.21**	**65,221.82**

Footnote:

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

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Gross sales (Contracted price)	91,063.98	63,702.10
Reductions towards variable consideration (Discounts & delayed delivery charges)	36.58	8.10
Revenue recognised	**91,027.40**	**63,694.00**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 18

Other income

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest income	47.57	38.68
Rent income	121.60	84.00
Dividend income	-	0.01
Export incentives	56.66	72.44
Net gain on sale of investments	-	110.82
Net gain on foreign currency transaction	215.00	144.44
Gain on sale of property, plant and equipment	25.88	26.33
Warranty Provision Reversal	22.73	-
Deferred income	3.20	64.11
Cessation of liability	8.14	30.83
Insurance claim	-	7.38
Income from windmill	92.98	126.63
Miscellaneous income	211.40	70.03
Total	**805.16**	**775.70**

Note 19

Cost of materials consumed

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock of raw materials	9,293.49	7,849.50
Purchases during the year	41,421.03	35,308.56
Closing stock of raw materials	(8,228.15)	(9,278.50)
Total	**42,486.37**	**33,879.56**

Note 20

Changes In inventories of finished goods and work-In-progress

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Closing stock:		
Finished goods	815.21	1,410.52
Work-in-progress	10,829.97	11,010.73
	11,645.18	**12,421.25**
Opening stock:		
Finished goods	1,410.52	1,163.17
Work-in-progress	11,010.73	7,250.23
On acquisition	-	1,959.85
	12,421.25	10,373.25
Total	**776.07**	**(2,048.00)**

Notes to the Consolidated Financial Statements

As At 31st March 2023

Note 21

Employee benefits expense

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	14,206.69	6,287.19
Contribution to provident, gratuity and other funds	185.57	168.98
Staff welfare expenses	363.47	270.87
Total	**14,755.73**	**6,727.04**

Note 22

Finance costs

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on loans	926.91	594.00
Interest on working capital facilities	778.85	286.58
Partner's capital	-	0.68
Interest - others	113.57	94.59
Interest on unsecured loan	10.17	68.25
Exchange differences regarded as an adjustment to borrowing costs	288.86	-
Dividend on redeemable preference share	8.01	11.56
Other borrowing costs:		
Unwinding of discount relating to long term liabilities	178.24	241.98
Total	**2,304.61**	**1,297.64**

Note 23

Depreciation and amortisation expense

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation of property, plant and equipment	1893.58	939.91
Depreciation of investment property	4.85	4.85
Amortisation of right- of -use assets	264.75	96.64
Amortisation of intangible assets	106.70	81.18
Total	**2,269.88**	**1,122.58**

Notes to the Consolidated Financial Statements
As At 31st March 2023

Note 24
Other expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Stores and spares consumed	2,675.21	2,478.30
Power and fuel	4,224.47	2,683.95
Processing expenses	6,219.01	5,709.66
Rent	104.29	108.56
Rates and taxes	266.10	75.64
Insurance expenses	280.74	161.73
Printing and stationery	79.93	44.53
Repairs and renewals:		
Buildings	205.54	150.97
Plant and machinery	847.21	478.85
Other assets	66.49	17.50
Travelling and conveyance	510.01	206.03
Communication expenses	120.37	74.57
Vehicle expenses	172.93	71.20
Auditors' remuneration:		
Statutory audit fees	17.00	17.00
Tax audit fees	2.00	2.00
Other fees	4.10	5.04
Director's sitting fee	4.07	5.10
Director's travelling	29.72	5.41
Sales promotion expenses	115.81	29.93
Bad debts written-off	0.03	0.32
Donation	6.15	0.85
Corporate social responsibility expenses	138.40	110.75
Security expenses	81.70	82.87
Commission	839.84	467.51
Freight and forwarding (Net)	1,607.21	1,186.12
Drawings and installation charges	0.48	-
Partners' remuneration	3.00	18.00
Laboratory expenses	26.47	27.98
Packing expensess	66.43	43.57
Pollution control expenses	63.63	81.05
Expected credit loss provision	25.31	10.12
Provision for Doubtful Advances	11.02	-
Bank charges	186.83	101.48
Net loss on foreign currency transaction	62.13	7.53
Loss on disposal/Impairment of property, plant and equipment	-	35.94
Legal and professional fees	885.57	575.80
Warranty expense (Refer note 13)	189.30	157.83
Miscellaneous expenses	1,293.40	442.32
Total	**21,431.90**	**15,676.00**

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 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	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest bearing loans and borrowings	24,709.24	20,709.06
Less: Cash and short term deposits	1,508.85	3,828.15
Net debt	**23,200.39**	**16,880.91**
Equity	1,365.31	1,365.31
Other equity	31,304.32	23,987.53
Total capital	32,669.63	25,352.84
Capital and net debt	55,870.02	42,233.75
Gearing ratio %	**41.53%**	**39.97%**

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.

Notes to the Consolidated Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Fixed-rate instruments		
Borrowings	10,206.93	12,044.89
Floating-rate instruments		
Borrowings	14,502.31	8,664.17

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for floating-rate instruments

The Group does not account for any floating-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

ii) Commodity Price Risks

The Group is affected by price stability of certain commodity due to significantly increase volatility of certain commodities , the Group has entered into contracts with the customers that has provision to pass on the change in raw material prices . The Group has risk management framework aimed at prudently managing the risk arising from volatility in commodity prices.

(b) Credit Risk Management

It is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also has an external credit risk insurance cover with ECGC Policy. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

The ageing of trade receivables is as follows

Rs. in Lakhs

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
More than 6 months	1,341.85	2,324.11
Others	22,938.00	12,475.37
	24,279.85	14,799.48

The amounts reflected in the table above are not impaired as on the reporting date.

Notes to the Consolidated Financial Statements

As At 31st March 2023

(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	14,913.50	7,360.47	2,435.27	-
		(7,772.16)	(8,697.14)	(4,239.76)	-
Trade payable	15	11,421.81	56.33	-	-
		(13,101.24)	(17.19)	-	-
Security deposit	12	0.62	1.03	-	-
		(1.67)	(0.90)	-	-
Employee benefit/ expense liabilities	12	633.15	656.68	-	-
		(392.21)	(437.47)	-	-
Unclaimed dividends	12	117.61	-	-	-
		(110.06)	-	-	-
Others	12	678.53	2,047.71	-	-
		(578.25)	-	-	-

Previous year's figures are in bracket

Note 26

THE INCOME TAX EXPENSES FOR THE YEAR CAN BE RECONCILED TO THE ACCOUNTING PROFIT AS FOLLOWS:

Rs. in Lakhs

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Profit before tax from continuing operations	**9,932.81**	**8,431.28**
Income tax expenses calculated at 25.17%(31 March, 2022: 25.17%) (Company's domestic tax rate)	2,500.09	2,122.15
Differences in tax rates in india jurisdictions	-	129.71
Differences in tax rates in foreign jurisdictions	10.24	25.55
Effect of income that is deductible/exempt from taxation	(498.43)	(161.80)
Effect of expenses not deductible for tax computation	438.59	398.95
Prior period income	2.72	(1.69)
Effect of different tax rates on dividend distribution by foreign subsidiary	66.31	-
Changes in recognised deductible temporary differences	358.95	39.17
Others (including actuarial impact on OCI)	73.70	55.90
	2,952.16	**2,607.94**

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 2023	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	-	-	24,279.85	24,279.85	-	-	24,279.85	24,279.85
Loans	10	-	-	23.58	23.58	-	-	23.58	23.58
Others financial assets	3	574.08	-	680.87	1,254.95	-	574.08	680.87	1,254.95
Cash and cash equivalents	8	-	-	268.24	268.24	-	-	268.24	268.24
Bank balances other than above	9	-	-	1,358.22	1,358.22	-	-	1,358.22	1,358.22
Total		**574.08**	**-**	**26,610.76**	**27,184.84**	**-**	**574.08**	**26,610.76**	**27,184.84**
Financial liabilities									
Borrowings	11		-	24,709.24	24,709.24	-	24,709.24	-	24,709.24
Lease liabilities				967.33	967.33			967.33	967.33
Trade Payables	15	-	-	11,478.14	11,478.14	-	-	11,478.14	11,478.14
Other financial liabilities	12	-	-	4,135.33	4,135.33	-	-	4,135.33	4,135.33
Total		**-**	**-**	**41,290.04**	**41,290.04**	**-**	**24,709.24**	**16,580.80**	**41,290.04**

Notes to the Consolidated Financial Statements

As At 31st March 2023

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				-	-			-	-
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	326.66	-	-	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**	**19,081.62**	-	-	**19,081.63**	**19,081.63**
Financial liabilities									
Borrowings	11		-	20,709.06	20,709.06	-	20,709.06	-	20,709.06
Lease liabilities				980.91	980.91			980.91	980.91
Trade payables	15	-	-	13,118.43	13,118.43	-	-	13,118.43	13,118.43
Other financial liabilities	12	-	-	1,520.56	1,520.56	-	-	1,520.56	1,520.56
Total		-	-	**36,328.96**	**36,328.96**	-	**20,709.06**	**15,619.90**	**36,328.96**

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.

3. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The Interest Rate swaps is valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

Notes to the Consolidated Financial Statements

As At 31st March 2023

NOTE 28

ADDITIONAL/EXPLANATORY INFORMATION

a) **Earnings per share**

Rs. in Lakhs

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Profit after taxation		
Profit for the period from continuing operations	7,081.20	6,067.10
Profit for the period from discontinuing operations	(100.55)	(243.76)
Weighted average number of equity shares for the purpose of basic earnings per share	68,265,480	68,265,480
EARNINGS PER EQUITY SHARE		
a. From continuing operations		
Basic	10.37	8.89
Diluted	10.37	8.89
b. From discontinuing operations		
Basic	(0.15)	(0.36)
Diluted	(0.15)	(0.36)

b) **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)

c) 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.

d) The Expenses Incidental in previous to the acquisition of 100% shareholding in Thaletec GmbH amounting to Rs. 911.42 lakhs are disclosed under exceptional items.

e) **Disclosures as per IND AS - 19 - employee benefits**

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.

Notes to the Consolidated Financial Statements

As At 31st March 2023

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

1) During the year, the Company has recognised the following amounts in the statement of profit and loss:

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
i) Employer's contribution to provident fund	118.90	89.29
ii) Leave encashment - unfunded	25.90	64.08

Footnotes:

(i) Included in "Contribution to provident, gratuity and other funds" (Note 21).

(ii) The valuation results for the defined benefit gratuity and pension plan as at 31-3-2023 are produced in the tables below:

i) Changes in the present value of obligation

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Present value of obligation as at the beginning	**1,537.03**	**1,612.78**
Current service cost	140.74	126.26
Interest expense or cost	43.85	41.20
Liability transfer out		
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in financial assumptions	(192.43)	(142.28)
experience variance (i.e. actual experience vs assumptions)	(3.23)	(24.41)
Past service cost		
Benefits paid	(147.87)	(76.52)
Present value of obligation as at the end	**1,378.08**	**1,537.03**

ii) Changes in the fair value of plan assets

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Fair value of plan assets as at the beginning	**366.45**	**336.17**
Investment income	25.07	21.82
Return on plan assets excluding interest income	(8.56)	0.15
Employer's contribution	24.12	51.56
Benefits paid	(31.12)	(43.25)
Fair value of plan assets as at the end	**375.96**	**366.45**

Notes to the Consolidated Financial Statements

As At 31st March 2023

iii) Expenses recognised in the income statement

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Current service cost	140.74	126.26
Net interest cost / (income) on the net defined benefit liability / (asset)	18.78	19.38
Expenses recognised in the income statement	**159.52**	**145.64**

iv) Other comprehensive income

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Actuarial (gains) / losses		
change in financial assumptions	(192.43)	(142.28)
experience variance (i.e. Actual experience vs assumptions)	(3.23)	(24.41)
Adjustment of present value of obligation at the beginning of the year	-	-
Return on plan assets excluding interest income	8.56	(0.15)
Components of defined benefit costs recognised in other comprehensive income	**(187.11)**	**(166.84)**

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

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Funds managed by insurer	100%	100%
Investment in insurance Company		
Life Insurance Corporation of India	16%	15%
Reliance (Nippon Life insurance)	29%	35%
Bajaj Allianz	55%	50%

vi) Actuarial assumptions

a. Financial assumptions

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

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Discount rate (per annum)	7.35%	6.84%
Salary growth rate	7.00%	7.00%

Notes to the Consolidated Financial Statements

As At 31st March 2023

b. Demographic Assumptions

Rs. in Lakhs

Particulars	Year ended 31 March 2023	Year ended 31st March 2022
Indian Assured Lives Mortality 2012-14 (Urban)	100.00%	100.00%
Withdrawal rates, based on age: (per annum)		
For service 4 years and below	20.00%	20.00%
For service 5 years and above	10.00%	10.00%
	-	7.95%*

* Withdrawal rate for glass lined equipment business.

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	Year ended 31 March 2023	Year ended 31st March 2022
Defined Benefit Obligation (Base)	516.62	480.94

Rs. in Lakhs

Particulars	Year ended 31 March 2023		Year ended 31st March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	28.63	(25.54)	31.25	(27.65)
(% change compared to base due to sensitivity)	-94.5%	-104.9%	-93.5%	-105.8%
Salary Growth Rate (- / + 1%)	(25.25)	27.31	(27.31)	29.93
(% change compared to base due to sensitivity)	-104.9%	-94.7%	-105.7%	-93.8%
Employee Turnover Rate (- / + 1%)	(0.04)	(0.05)	1.55	(1.53)
(% change compared to base due to sensitivity)	-100.0%	-100.0%	-99.7%	-100.3%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

Funding arrangements and Funding Policy

The scheme is managed on funded basis.

Notes to the Consolidated Financial Statements

As At 31st March 2023

Rs. in Lakhs

Expected Contribution during the next annual reporting period	Year ended 31 March 2023	Year ended 31st March 2022
The Company's best estimate of Contribution during the next year	139.10	1,148.24
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	7 Years	8 Years

Rs. in Lakhs

Expected cash flows over the next (valued on undiscounted basis)	Year ended 31 March 2023	Year ended 31st March 2022
1 year	92.54	60.72
2 to 5 years	225.65	193.41
6 to 10 years	215.35	217.06
11 and above years	313.90	342.70

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.

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a) Defined Benefit Obligation (Base)	574.93	699.69

b) **Significant Actuarial Assumptions**

Rs. in Lakhs

Parameter	Original value	As at 31st March 2023	
		Sensitivity Analysis	Effect on DBO
Discount rate	3.65%	0.50%	(35,700.00)
Discount rate	3.65%	-0.50%	39,216.00
Pension increases for in payment benefits	2.00%	0.25%	18,269.00
Pension increases for in payment benefits	2.00%	-0.25%	(17,540.00)
Mortality	© Richttafeln Heubeck 2018 G	+1 year	20,517.00
Mortality	© Richttafeln Heubeck 2018 G	-1 year	(20,652.00)

Notes to the Consolidated Financial Statements

As At 31st March 2023

c) **Significant Actuarial Assumptions**

(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)

F) 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)
Mr. Harsh Patel (01.10.2022 onwards)
Mr. Achal Thakkar (Company Secretary & Compliance Officer) (10.05.2022 Onwards)
Ms. Dhwani Shah (Former Company secretary and compliance officer up to 31.01.2022)
Mr. Naveen Kandpal (Chief Financial Officer) (01.03.2022 onwards)
Mr. K V Unnikrishnan (Former Chief Financial Officer up to 31.03.2022)
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 (till 30.09.2022)
Ms Vijayanti Punjabi
Mr. Yatish Parekh
Mr. Sandeep Randery
Mr. Jayesh Shah

Relatives of Key Management Personnel :

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

Notes to the Consolidated Financial Statements

As At 31st March 2023

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 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

Particulars	Transactions		Payable/(Receivable)/Closing Balances	
	For the year ended 31st March 2023	For the year ended 31st March 2022	As at 31st March 2023	As at 31st March 2022
Key management personnel :				
Remuneration [refer footnote (i)]	898.10	377.91	26.48	20.56
Commission	69.24	82.59	45.48	67.39
Rent expense	36.96	7.80	-	1.76
Dividend (Equity shares)	464.16	151.38	-	-
Dividend (Preference shares)	-	-	-	-
Interest	-	(0.36)	-	-
Relatives of KMP :				
Dividend (Equity shares)	15.87	232.65	-	-
Dividend (Preference shares)	0.32	0.43	-	-
Sitting fee	4.07	5.10	-	-
Rent expense	3.00	6.52	-	1.24
Purchase of goods/services	10.80	10.80	2.43	4.86
Remuneration	-	18.00	-	-
Interest	-	1.04	-	-
Redemption of Preference Shares	22.61	22.61		
Entities in which directors are interested:				
Sales of goods/services	555.76	900.58	(90.28)	(852.29)
Purchase of goods/services	14.93	2.75	0.50	0.31
Donation for corporate social responsibility activity	104.50	52.00	-	-
Entities in which relatives of KMP are interested:				
Balance as on year ending	-	-	-	150.00
Loan received	-	150.00	-	-
Loan repaid	150.00	-	-	-

Notes to the Consolidated Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	Transactions		Payable/(Receivable)/Closing Balances	
	For the year ended 31st March 2023	For the year ended 31st March 2022	As at 31st March 2023	As at 31st March 2022
Sales of Property, plant and equipment	410.00	-	-	-
Sales of goods/services	37.60	-	44.36	-
Gratuity fund				
Contribution	24.12	51.56	-	-
Plan assets as at the end	-	-	375.96	366.45

Footnotes:

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

(ii) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than unsecured loan at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Rs. Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

g) Segment Information

The operations of the Company are limited to two segment viz. (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment

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"

Notes to the Consolidated Financial Statements

As At 31st March 2023

Details of segment information:

Rs. in Lakhs

Particulars	Filtration, drying and other equipment		Glass lined equipment		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue :						
External sales	34,420.92	31,410.57	57,855.68	33,002.59	92,276.60	64,413.16
Other					875.61	808.66
Total external sales					**93,152.21**	**65,221.82**
Segment results :						
Profit before tax and interest	4,442.90	4,595.83	7,792.94	6,021.21	12,235.84	10,617.04
Less: Other unallocable expense net of unallocable income					(1.58)	888.12
Less: Interest expense					2,304.61	1,297.64
Profit before tax					**9,932.81**	**8,431.28**
Taxes					2,952.16	2,607.94
Net profit after tax					**6,980.65**	**5,823.34**
Segment assets	32,410.58	29,115.26	52,858.44	43,921.30	85,269.02	73,036.56
Unallocated segment assets					3,855.75	2,942.47
Total assets					**89,124.77**	**75,979.03**
Segment liabilities	7,390.41	9,052.39	23,497.03	20,813.69	30,887.44	29,866.08
Unallocated segment liabilities					25,554.44	20,751.71
Total liabilities					**56,441.88**	**50,617.79**
Capital expenditure	4,226.69	3,297.43	5,501.12	13,467.31	9,727.81	16,764.74
Unallocated capital expenditure					-	18.33
Depreciation	663.90	350.88	1,545.05	670.60	2,148.02	1,021.48
Unallocated depreciation					60.93	101.10
Total Depreciation					**2,208.95**	**1,122.58**

Rs. in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Capital employed	32,682.89	25,361.24

Notes to the Consolidated Financial Statements

As At 31st March 2023

Rs. in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Geographic information		
Revenue from customers		
India	61,506.34	54,182.11
Outside India	31,645.87	11,039.71
Total	**93,152.21**	**65,221.82**

Footnote:

i) During the year as well as previous year, there is one customer with whom the company has earned turnover of more than 10% of its revenue (Rs. 10,466.60 lakhs during CY and Rs. 5,981.41 PY).

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	980.91	757.75
Additions during the year	199.49	309.50
Finance costs incurred during the year	42.75	23.43
Payments of Lease Liabilities	(255.82)	(109.76)
Closing Balance	**967.33**	**980.91**

(ii) The carrying value of the Rights-of-use and depreciation charged during the Year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note 2(b).

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Expenses related to Short Term Lease & Low Asset Value Lease	104.29	108.56
Total Expenses	**104.29**	**108.56**

Notes to the Consolidated Financial Statements

As At 31st March 2023

(iv) **Maturity analysis of lease liabilities**

Rs. in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	225.25	215.34
One to five years	494.75	464.13
More than five years	247.33	301.44
Total undiscounted Lease Liability	**967.33**	**980.91**
Balances of Lease Liabilities		
Non Current Lease Liability	736.76	765.57
Current Lease Liability	230.57	215.34
Total Lease Liability	**967.33**	**980.91**

i) Disclosure regarding derivative instruments and unhedged foreign currency exposure :

Rs. in Lakhs

Particulars	Currency	As at 31st March 2023		As at 31st March 2022	
		Amount in Foreign Currency - In lakhs	Amount- In Rs. Lakhs	Amount in Foreign Currency - In lakhs	Amount- In Rs. Lakhs
Foreign Currency Loan	USD	88.79	7,296.07	94.71	7,084.92
Contract liability (Advance from customers)	USD	3.41	276.71	4.37	328.27
	EUR	0.33	29.74	-	-
Trade Payables	USD	0.86	70.84	4.04	307.26
	JPY	-	-	17.21	11.48
	EUR	0.65	58.25	3.41	288.53
	CHF	-	-	0.10	7.90
Trade Receivables	USD	4.51	367.64	2.69	202.18
	EUR	2.82	252.47	2.33	198.11
Derivative Asset	USD	6.99	574.08	-	-
EEFC Accounts / Cash & Cash Equivalents	USD	0.16	12.96	4.32	327.71
	EUR	0.13	11.83	3.90	330.51
Advances to suppliers	USD	5.15	425.07	0.70	52.03
	EUR	-	-	0.05	4.32
	CHF	0.00	0.41	-	-

Notes to the Consolidated Financial Statements

As At 31st March 2023

j) Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

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	81.06%	32,892.50	68.10%	5,442.28	0.47%	0.76	66.77%	5,443.04
	Subsidiaries								
	Indian subsidiary								
1	H L Equipments	0.72%	293.00	-0.90%	(72.12)	0.00%	-	-0.88%	(72.12)
	Foreign subsidiary								
1	Thaletec GmbH	17.52%	7,110.22	32.71%	2,614.16	99.53%	159.67	34.03%	2,773.83
2	Thaletec Inc, USA	0.69%	281.48	0.09%	6.97	0.00%	-	0.09%	6.97
		100%	**40,577.20**	**100.00%**	**7,991.29**	**100.00%**	**160.43**	**100.00%**	**8,151.72**
a)	**Non-controlling Interests**								
	Indian subsidiary								
	H L Equipments		(13.26)		0.72		-		0.72
	Foreign subsidiary								
	Thaletec GmbH		-		-		-		-
	Thaletec Inc, USA		-						
			(13.26)	**-**	**0.72**	**-**	**-**	**-**	**0.72**
b)	Adjustments arising out of Consolidation		(7,881.05)		(1,010.64)		857.64		(153.00)
	Consolidated		**32,682.89**		**6,981.37**		**1,018.07**		**7,999.44**

k) Commitment

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for Rs. 408.51 lakhs (Previous Year Rs. 265.29 lakhs)

(ii) Letters of credit issued by the banks Rs. 2,185.62 lakhs (Previous Year Rs. 4,062.76 lakhs)

l) 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. 16.47 lakhs (Previous Year Rs. 16.47 lakhs) pending before CESTAT, against which the Company has made payment of Rs. 5.19 lakhs(Previous Year Rs. 5.19 lakhs).

Notes to the Consolidated Financial Statements

As At 31st March 2023

(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. 22.92 lakhs (Previous Year Rs. 29.48 lakhs) pending before CESTAT, against which the Company has made payment of Rs. 4.01 lakhs(Previous Year Rs. 5.16 lakhs).

m) 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, 2023.

e) Details of Property, Plant and Equipment are as under:

Rs. in Lakhs

Fixed Assets	As at 31st March 2023	As at 31st March 2022
Building	-	-
Plant & Machinery	703.33	786.20
Total Assets	**703.33**	**786.20**

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 Consolidated Financial Statements

As At 31st March 2023

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 31st March 2023	As at 31st March 2022
Revenue from operations	875.61	808.66
Other income	51.00	30.37
Depreciation on Assets	60.93	96.99
Other Expenses	966.23	985.80
Loss before tax	**(100.55)**	**(243.76)**

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

n) The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 17.43 lakhs (Previous Year - Rs. 4.59 lakhs).

o) Subsequent events post balance sheet

i) The Board has recommended dividend @ 55% (Rs. 1.10) per equity share and declared dividend @ 9.5% (Rs. 0.38) per preference share at its meeting held on 29th May, 2023.

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 LLP
Chartered Accountants
Reg. No. 107122W / W100672

N. Kashinath
Partner
Membership No. 036490

Maroli Udyognagar, Dated 29th May 2023

For and on behalf of the Board

Himanshu Patel
Managing Director
DIN- 00202312

Aalap Patel
Director
DIN-06858672

Achal Thakkar
Company Secretary
ACS 30459

Naveen Kandpal
Chief Financial Officer
ACA 406038

Maroli Udyognagar, Dated 29th May 2023

HLE Glascoat Limited

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