

September 04, 2024

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| 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 2023-24

Dear Sir/ Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith copy of the 33rd Annual Report with regards to the ensuing Annual General meeting of the Company convened on Thursday, 26th September, 2024 at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

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

Kindly acknowledge the receipt of the same.

Thanking You,

Yours faithfully,
For **HLE Glascoat Limited**

Achal Thakkar
Company Secretary and Compliance Officer

Encl: As Above

The background is a dark teal color with intricate, flowing white and light teal lines that create a sense of movement and depth. A prominent feature is a large, stylized flower-like shape in the bottom left corner, composed of many overlapping, curved lines that spiral outwards.

EXPANDING HORIZONS. CONSOLIDATING SUCCESS.

ANNUAL REPORT
2023-24

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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.



To view this report online and to know more about us, please visit:
www.hleglascoat.com



EXPANDING HORIZONS. CONSOLIDATING SUCCESS.

HLE Glascoat, a name synonymous with innovation and excellence, has embarked on a remarkable journey of growth and expansion. We have ventured into new markets and industries through strategic acquisitions of Swiss Glascoat, Thaletec, and Kinam. These acquisitions have significantly expanded our horizons and diversified our offerings, enabling us to cater to a wider and more varied customer base. By integrating our manufacturing capabilities with Thaletec and Kinam's innovation and technological expertise, along with a robust marketing network, we are strategically positioned for geographic expansion and the seamless integration of new products into our portfolio.

Our strengthened international presence has solidified our position as a formidable global player. This growth is fuelled by our unwavering commitment to cutting-edge technologies and relentless innovation. Through continuous research and development, we strive to stay ahead of the curve, offering solutions that meet the evolving needs of our customers.

Customer relationships remain at the core of our success. Our expanded offerings and dedicated support have deepened these connections, driving customer satisfaction and loyalty. Our proactive efforts to improve operational efficiency and maintain high-quality standards reflect our commitment to excellence in every facet of business.

As we continue to push the boundaries of success and possibility, we remain committed to creating lasting value for our customers, stakeholders, and the global community, while forging a stronger and sustainable future.



Company Overview

Engineering Excellence and Unmatched Innovation

HLE Glascoat is a leading manufacturer of specialised process equipment for the chemical and pharmaceutical industries. With over three decades of industry leadership, we have carved a dominant position in India's filtration and drying equipment market and are recognised as one of the foremost global manufacturers of glass-lined equipment.

Our comprehensive product portfolio caters to the most challenging chemical engineering applications, offering solutions across a diverse range of materials. As the world's largest producer of Agitated Nutsche Filter Dryers (ANFDs), we are committed to delivering advanced process solutions for complex chemical manufacturing needs. Our consistent track record of growth and profitability reinforces our unwavering dedication to innovation and excellence.

Our success is rooted in our deep expertise in product engineering and a profound understanding of chemical processes. This synergy enables us to develop bespoke solutions that meet our customers' unique needs, solidifying our reputation as the preferred supplier of high-quality process equipment globally.

Our journey began in 1981 with the establishment of HLE Engineers Pvt. Ltd., focusing on chemical equipment manufacturing. A significant milestone was achieved in 2017 with the acquisition of Swiss Glascoat Equipments Ltd., which marked our entry into glass-lined equipment. This growth trajectory continued in 2021 with the strategic acquisition of Thaletec GmbH, Germany, further enhancing our capabilities in glass-lining technology.

With acquisition of majority stake in Kinam, it shall enhance the efficiencies resulting in operational synergies, integration of processes, and optimal utilization of resources which will contribute to the overall growth prospects of the Company.

Strong Parentage

We operate under the esteemed umbrella of the Patel Group of Companies, a legacy that dates back to 1951. Founded by the visionary Late Dr. Khushalbhai H. Patel, the Group has been a trailblazer in the chemical manufacturing and process equipment industries. The Group's journey began with Indosal Chemicals, led by Dr. Patel, which pioneered the manufacturing of Salicylic Acid in India. Over the past seven decades, the Patel Group has expanded its influence and expertise, establishing a solid reputation for excellence and innovation in the chemical and process equipment sectors. This strong parentage continues to drive our success and leadership in the industry.



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



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



Ownership

We act as owners and passionately drive organisational success

Agility

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

People Care

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

Walk the Talk

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

Customer-Centricity

We put customer at the centre of everything that we do

Excellence

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



Company Overview

Our Expertise

30+
years
of experience
in filtration and
drying equipment

25+
years
of experience
in glass-lined
equipment

20+
years
of experience in
heat exchangers
equipment

5
manufacturing
facilities

590
employees

Key highlights

Rs. 96,792.0 Lakhs
Revenue from
Operations in FY 2023-24

Rs. 49,670.4 Lakhs
Consolidated Net Worth

Rs. 12,087.7 Lakhs
EBITDA in FY 2023-24

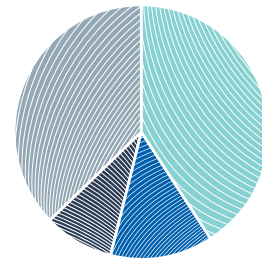
> 9.93%
EBITDA in FY 2023-24

Rs. 4,088.9 Lakhs
PAT in FY 2023-24

0.73
Debt equity ratio

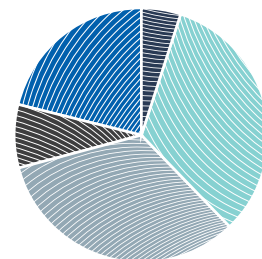
Rs. 47,936.1 Lakhs
Order book as of March 31, 2024
(providing visibility of 4 months for
Indian business and 10 months for
International business)

Revenue break-up industry-wise



- 41% API & Pharma
- 13% Agrochemicals & Pesticides
- 9% Others
- 37% Speciality Chemicals

Revenue break-up product-wise



- 5% ANF
- 33% ANFD
- 33% Reactors
- 8% Tanks
- 21% Others

Marquee clientele





Our Global Presence

USA
Sales Network

Europe
Sales Network

Russia
Channel Partner

Saudi Arabia
Channel Partner

Singapore
Channel Partner

Thailand
Channel Partner

- | Sales and Service Office
- Manufacturing Site



*Successful venture into the US – orders worth >USD 7 Million (grown to >USD 10.99 Million as of March 31, 2024)



Product Portfolio

Diverse offerings for varied needs

Our commitment to addressing unique process needs is reflected in our diverse product portfolio. From storage and reaction to heat transfer, refining, and solid-liquid separation, our solutions are designed to serve the chemical, pharmaceutical, and allied sectors with precision and reliability. By staying at the forefront of technological advancements, we ensure that our offerings not only meet but exceed industry standards, delivering unparalleled value to our clients worldwide.

Filtration and Drying Equipment

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

Products

Agitated Nutsche Filter-Dryers (ANFD)

- Versatile solid-liquid separation equipment
- Capable of filtering, washing, reslurrying, 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

End-user industries

- Agrochemicals
- Speciality and fine chemicals
- Dyes, pigments and intermediates

- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food

Glass-Lined Equipment

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

Products

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

End-user industries

- Agrochemicals
- Speciality and fine chemicals
- Dyes and intermediates

- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food

Product Expansion in FY 2023-24

Successfully launched
SS Reactors

Launched Pharmaskid
and Chem-skid systems

Thaletec products
launched in India

Exotic Metal Equipment

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

Products

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

GMP Pharma Models

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

Products

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

End-user industries

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

End-user industries

- Active pharmaceutical ingredients
- Pharmaceutical
- Nutraceutical
- Food



Journey

Milestone moments in our journey

We remain at the forefront of revolutionising the future of specialised processing equipment for the chemical and pharmaceutical industries with our distinguished track record of growth, strategic acquisitions, and relentless commitment to innovation.

Commenced operations, manufactured machinery for Group chemical plants

1981

2004

Engineering business started operations at Silvassa and Heerasons R&D Centre established at Maroli

HLE expanded into Glass Lined Equipment by acquiring Swiss Glascoat Equipments Ltd.

2017



Acquired the
global business of
leading Glass lining
company Thaletec GmbH

2021

2019

Operations of HLE & Swiss
Glascoat consolidated into
HLE Glascoat Ltd via a
Scheme of Arrangement

2023

Acquired majority stake in Kinam
Engineering Industries, one
of the reputed manufacturers
of multiple types of Heat
Exchanger Equipments



Managing Director's Message

Dear Stakeholder,

It is with great honor that I present the Managing Director's Message for the Annual Report for the fiscal year ending March 31, 2024. Despite a challenging year, I am pleased to report that HLE Glascoat has once again delivered a strong performance. I am delighted to share with you the Auditor's and Board's Reports, along with the Annual Audited Financials for FY 2023-24. Our strategic acquisitions and expansions have further solidified our position, making us the undisputed leader in our field. HLE Glascoat continues to expand its horizons, building on a legacy of sustained growth. With your unwavering support, we have strengthened our foundation, ensuring that our growth is both rapid and sustainable. Our focus remains on creating long-term value for our stakeholders through a commitment to sustainable business practices.

Economic and Industry Overview

The global economy is expected to experience a synchronized rebound in 2025, as election uncertainties ease and central banks in the West likely announce rate cuts later in 2024. India is anticipated to see improved capital flows, boosting private investment and a rebound in exports.

For 2025, the IMF projects India's growth rate at 6.5%, driven by strong domestic demand and a growing working-age population. Key factors include the continuity of domestic policy reforms, reduced uncertainties in the United States post-elections, and more synchronized global growth in a low-inflation environment. As India

accelerates toward becoming the world's third-largest economy, its consumer market is also set to become the world's third-largest by 2027, reflecting a shift toward aspirational spending.

The engineering sector, a cornerstone of India's industrial landscape, accounts for 27% of the country's total factories and 63% of overall foreign collaborations. Demand for engineering services is fueled by capacity expansions in industries such as infrastructure, energy,

mining, and manufacturing. India holds a competitive advantage in manufacturing costs, market knowledge, technology, and innovation across various engineering sub-sectors. The sector's strategic importance is underscored by its deep integration with other industry segments. Initiatives by AICTE to modernize engineering curricula in areas like AI, IoT, robotics, and data science will further enhance the sector's competitiveness.



India's pharmaceutical industry, the third-largest globally by volume and 14th by value, contributes around 1.72% of the country's GDP. The market is projected to reach \$130 Billion by 2030, driven by a focus on innovative therapies.

In the chemical industry, India ranks 14th in exports and 8th in imports globally, excluding pharmaceuticals. The industry is expected to grow at a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market. The Department of Chemicals & Petrochemicals is also expected to introduce a Production Linked Incentive (PLI) scheme for the sector, further boosting growth.

HLE Glascoat continues to benchmark its products against international standards, ensuring compliance with stringent quality norms and delivering superior products to our customers. Our brand is synonymous with trust and reliability, reinforcing our strong customer relationships over the years.

Business Performance

Despite the challenges faced during FY 2023-24, your company achieved commendable results. The standalone revenue from operations was Rs. 59,070.85 Lakhs, compared to Rs. 64,944.35 Lakhs in FY 2022-23. Consolidated revenue from operations for FY 2023-24 stood at Rs. 96,792.02 Lakhs, up from Rs. 93,202.3 Lakhs in the previous year.

The consolidated EBITDA for FY 2023-24 was Rs. 12,087.70 Lakhs, compared to Rs. 14,507.30 Lakhs in FY 2022-23. Despite market challenges, we maintained an EBITDA margin of 12.5%, thanks to stringent cost controls and a focus on operational efficiencies. The Profit after Tax for FY 2023-24 was Rs. 4,088.90 Lakhs, compared to Rs. 6,980.70 Lakhs in FY 2022-23. Although margins were impacted by challenging market conditions, our prudent management enabled us to navigate these difficulties effectively.

Impact of Thaletec Acquisition

In December 2021, HLE Glascoat acquired 100% equity in Thaletec GmbH, a highly reputed and profitable

German company specializing in innovative solutions and technology for glass-lined equipment. This acquisition has significantly enhanced our product portfolio, particularly in glass-lined products and solutions, by introducing more advanced glass quality and technology. Thaletec's research and development capabilities have bolstered our innovation pipeline, allowing us to offer more advanced automation solutions to our customers, improving efficiency and productivity. The acquisition has also strengthened our presence in the European market, providing access to new customers and markets. Thaletec Inc., USA, a subsidiary of Thaletec GmbH, has provided us with a platform to enter the US market, where we have received an encouraging response.

Impact of Kinam Engineering Industries Acquisition

In August 2023, HLE Glascoat acquired a majority stake in Kinam Engineering Industries, a leading manufacturer of various types of heat exchangers and process equipment. Kinam's products complement our existing product lines, creating significant synergies between the two companies. This acquisition is expected to enhance operational efficiencies, streamline business processes, and optimize resource utilization. By combining our strengths, we anticipate increased territorial coverage, improved competitiveness, a broader customer network, and deeper penetration of European and American markets. This partnership is poised to create substantial value for all stakeholders.

Key Focus Areas and Business Outlook

While the remainder of 2024 may be marked by global financial uncertainties, HLE Glascoat remains confident in its ability to sustain its growth trajectory. We are optimistic about our strong order book, both domestically and internationally.

The Thaletec acquisition has provided us with advanced glass technology, complementing our existing product

offerings and strengthening our position in Europe. The positive reception of Thaletec products in India indicates new growth opportunities. Similarly, the Kinam acquisition will allow us to leverage each other's marketing and post-sales networks, promoting complementary products and expanding our market share in filtration, drying, glass-lined equipment, and heat exchangers globally.

HLE Glascoat remains committed to innovation, quality improvement, and customer-centricity—core values that drive our business. Our recent acquisitions have opened new avenues for growth, ensuring that we continue to build on our position as a strong industry leader.

Corporate Social Responsibility

HLE Glascoat recognizes the importance of corporate social responsibility (CSR) and has undertaken extensive charitable activities, particularly in the areas surrounding our Maroli plant. Through the Yashaswati Foundation, a Section 8 Company, we have made CSR contributions that exceed statutory requirements. Our initiatives focus on eradicating hunger, poverty, and malnutrition; promoting education, art, and culture; providing healthcare and destitute care; and supporting environmental sustainability and rural development projects.

Acknowledgements

I would like to express my sincere gratitude to our Board members for their guidance and support, and to all stakeholders for the trust they have placed in HLE Glascoat. I also extend my heartfelt thanks to our dedicated team members, whose contributions have been instrumental in our journey of growth and success. At HLE Glascoat, we remain confident that our culture of understanding and delivering comprehensive solutions, backed by solid R&D, will lead to an even brighter and more prosperous future.

Regards,

Himanshu Patel
Managing Director



Financial Highlights

Demonstrating financial strength and resilience

Profit and Loss Indicators

Revenue (Rs. in Lakhs)

| | | |
|---------|--|------------------|
| 2023-24 | | 96,792.02 |
| 2022-23 | | 93,202.30 |
| 2021-22 | | 65,221.82 |
| 2020-21 | | 48,448.93 |

EBITDA (Rs. in Lakhs)

| | | |
|---------|--|------------------|
| 2023-24 | | 12,087.71 |
| 2022-23 | | 14,507.30 |
| 2021-22 | | 11,762.92 |
| 2020-21 | | 9,558.77 |

EBITDA Margin (%)





| | | |
|---------|--|---------------|
| 2023-24 | | 12.49% |
| 2022-23 | | 15.57% |
| 2021-22 | | 18.04% |
| 2020-21 | | 19.73% |

PAT (Rs. in Lakhs)





| | | |
|---------|--|-----------------|
| 2023-24 | | 4,088.86 |
| 2022-23 | | 6,980.65 |
| 2021-22 | | 5,823.34 |
| 2020-21 | | 5,337.10 |

Balance Sheet Indicators

Net Worth (Rs. in Lakhs)

| | | |
|---------|--|------------------|
| 2023-24 |  | 49,670.35 |
| 2022-23 |  | 32,682.89 |
| 2021-22 |  | 25,361.24 |
| 2020-21 |  | 13,480.88 |





Gross Block (Rs. in Lakhs)

| | | |
|---------|---|------------------|
| 2023-24 |  | 61,765.49 |
| 2022-23 |  | 40,406.95 |
| 2021-22 |  | 31,143.55 |
| 2020-21 |  | 14,534.18 |

Debt equity ratio (times)

| | | |
|---------|--|-------------|
| 2023-24 |  | 0.73 |
| 2022-23 |  | 0.76 |
| 2021-22 |  | 0.82 |
| 2020-21 |  | 0.69 |

Interest coverage ratio (times)

| | | |
|---------|--|-------------|
| 2023-24 |  | 3.09 |
| 2022-23 |  | 5.31 |
| 2021-22 |  | 7.50 |
| 2020-21 |  | 8.93 |



Manufacturing and R&D Excellence

Expanding capabilities and capacities

We have made significant investments in enhancing our manufacturing capacities to meet the growing demands of diverse international markets. By unlocking potential at every level, we aim to maximise efficiencies, capitalise on emerging opportunities, and deliver with efficiency and precision, driving sustained growth and success.

Manufacturing Infrastructure

Our commitment to delivering world-class products is backed by four state-of-the-art manufacturing facilities- three in Western India and one in Germany. These internationally certified plants uphold our commitment to quality, precision, and innovation, ensuring that we meet and exceed the expectations of our customers worldwide.

1 Anand, Gujarat

Established in 1994, this facility spans over 10 acres and boasts modern infrastructure, including advanced furnaces, ETA Cranes, and robotic welding capabilities. Equipped with cutting-edge machinery and testing facilities, the Anand unit specialises in the manufacture of Glass Lined Reactors, columns, tanks, and other critical equipment.

3 Silvassa, Dadra and Nagar Haveli

The greenfield facility at Silvassa, established in 2022, represents the latest in our manufacturing excellence. This unit is dedicated to producing specialised products, including standardised ANFs and large-size SS reactors, utilising the latest technological advancements.

5 Kinam Engineering Industries Pvt. Ltd.

(formerly Kinam Engineering Industries)

Started in 1981 to undertake general fabrication including vessels and heat exchangers and later in 2001, focused to specialize in the manufacture of different types of Heat Exchangers. Presently, Kinam's manufacturing facilities is situated at Ambernath with a total area of 1,10,000 sq. ft. with area under cranes ~ 70,000 sq ft. and with well equipped state-of-the-art equipment, a single EOT crane of 50T capacity, capacity to manufacture ~ 3000 units per annum in a single shift. Kinam has ISO 9001-2015, ISO 14001-2015, ISO 45001-2018, IBR, U-Stamp (Applied) accreditations. With the capability to design and manufacture multiple types of heat exchangers, Kinam is the only true one-stop-shop for heat exchange solutions in India today. Kinam specializes in the manufacturing of shell and tube and corrugated heat exchangers of up to 4,000m². Kinam is presently working on multiple new products launches (spiral and plate heat exchangers).

2 Maroli, Gujarat

The Maroli facility, set up in 1981, marked a significant expansion in HLE Glascoat's production capacity. It features advanced equipment such as CNC machines, VMC machines, plate bending and rolling equipment, and automated welding systems. Located near the Anand facility, Maroli benefits from strategic resource sharing and logistics, with a focus on the manufacture of customised ANFs, ANFDs, RVPDs, tanks, and more.

4 THALETEC, Germany

This 40,000 sq. m. facility, employing over 160 professionals, is ISO 9001:2015 and EN ISO 50001:2018 certified, reflecting its dedication to quality and energy efficiency. Capable of manufacturing equipment up to 100,000 litres, THALETEC offers an unmatched product range, including unique solutions. The facility works with a variety of materials, including carbon steel, stainless steel, and nickel-based alloys like Hastelloy and Inconel, showcasing its versatility and expertise in complex manufacturing.

Each facility is designed with a focus on:



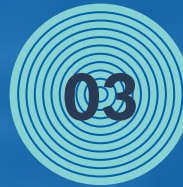
High-Quality Production

Ensuring the highest standards of craftsmanship and reliability.



Efficient Operations

Streamlining processes to maximise productivity and minimize waste.



Compliance with International Standards

Adhering to global benchmarks for quality and safety.



Flexibility to Meet Customer Demands

Offering customised solutions that address specific industry challenges.

The strategic locations of these facilities enable us to effectively serve customers across India and the globe, ensuring efficient logistics and robust supply chain management. This infrastructure empowers us to meet the diverse and evolving needs of our clients while maintaining our leadership position in the industry.





Strategic acquisition of Kinam Engineering

In 2023, we acquired a majority stake in Kinam Engineering Industries (now Kinam Engineering Industries Private Limited), a reputed innovator and manufacturer of Shell and Tube Heat Exchangers, Corrugated Tube Heat Exchangers, Spiral Heat Exchangers, Box Type Heat Exchangers, Pressure Vessels, and other process equipment. Kinam serves a diverse clientele that includes leading players in the chemical, pharmaceutical, biotech, petrochemical, fertilizers, refineries, power plants, cosmetics, and textile industries. Operating from a state-of-the-art manufacturing unit in Ambernath, Kinam also exports its products to several countries, including Germany, the Netherlands, Israel, Malaysia, Egypt, South America, Kazakhstan, Poland, and Turkey. Notably, Kinam is the only heat exchanger manufacturer in India's chemical processing segment capable of producing the full range of heat exchangers.

Key Synergies

- **Complementary Product Lines:** Kinam's product offerings align seamlessly with our existing lines, creating substantial synergies between the operations of both entities.
- **Administrative and Resource Optimisation:** The acquisition allows for improved administrative efficiency and optimal utilisation of resources, given the similar nature of both businesses.
- **Growth and Market Expansion:** We plan to leverage our expertise and management capabilities to drive Kinam's growth. This will be achieved through an increased focus on expanding territorial coverage, enhancing competitiveness, growing the customer network, and deepening penetration into European and American markets.

- **Shared Marketing and Post-Sales Networks:** Both companies will benefit from each other's marketing and post-sales networks, promoting and marketing complementary products, which will lead to increased market presence and customer engagement.
- **Customer and Vendor Synergies:** The significant overlap of customers and vendors between the two entities will facilitate operational adjacencies and economies of scale, further strengthening the combined business.
- **Value Accretion for Stakeholders:** The strategic combination of HLE Glascoat and Kinam is expected to generate significant value for all stakeholders, ensuring sustainable growth and reinforcing the leadership positions of both companies in their respective markets.

Contribution to BhavyaBharat

As a leading manufacturer and supplier of process equipment for the pharmaceutical and chemical industries, we are committed to driving sustainable growth both domestically and globally. Recognising challenges such as high operational costs and technical expertise shortages, we have initiated the BhavyaBharat movement—a techno-patriotic effort aimed at enhancing efficiency and productivity in India's chemical and pharmaceutical sectors.

Through extensive customer engagement and strategic initiatives, we've overhauled traditional methods, created solution-oriented workspaces, and developed cutting-edge R&D capabilities. Our efforts include Kaizen implementation, a dedicated product management department, and collaborations with industry experts. These initiatives are designed to make India's industries more competitive on the global stage, contributing to the vision of a BhavyaBharat. Our movement has garnered significant appreciation, helping to usher in a new era for the

management of the chemical and pharmaceutical industries in India.

Implementation of Kaizen

The Kaizen journey was initiated to develop a solution-oriented mindset and enhance capabilities, focusing on joint decision-making, self-initiatives, and alignment with organisational core values. The journey began with an initial assessment, including a factory tour and a meeting with key stakeholders to identify and prioritise problems. Based on these insights, pilot projects were launched, focusing on defect reduction, energy consumption reduction, inventory optimisation, and lead time reduction.

During the first year, 10 Gemba Kaizen workshops were conducted, with 94 man-days planned for assessment, implementation, and review. These workshops included forming a Kaizen Steering Committee, training sessions on Kaizen basics and TWI-JI, and introducing key initiatives like 5S, Autonomous Maintenance, and Daily Work Management. Regular reviews ensured continuous improvement and alignment with the Kaizen vision.

The benefits of this initiative were significant. Shop Leaders shifted to a solution-focused approach, understanding the importance of quality, cost, and delivery (QCD). Cross-functional decision-making improved, and a structured governance system was established. The successful completion of breakthrough projects enhanced teamwork, and employees became more proactive, making data-driven decisions using Kaizen methodologies. The initiative now yields an average of 60 implemented Kaizens per month, driving continuous improvement across safety, process, and quality.

R&D Infrastructure

Our cutting-edge R&D facility in Maroli enables us to produce innovative, high-quality solutions, while our application centre offers customers the opportunity for product trials and demonstrations. Equipped with a pilot plant, the centre supports the scaling of end-to-end processes, improves product lifecycle management, and enhances product design for faster turnarounds.

Through continuous innovation and rigorous research and development, we ensure our solutions stay ahead of the curve, solidifying our reputation as a trusted industry leader. Our goal is to be recognised as chemical engineering solution providers, not just equipment manufacturers, by consistently meeting and surpassing the evolving needs of customers.

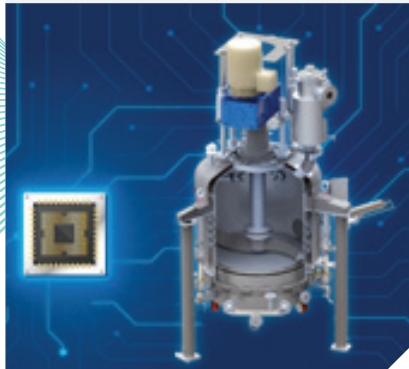
New Products Launched

RDDC



The world's fastest paddle dryer, featuring twice the heat transfer area of a standard RVPD, reducing drying time by nearly 50%.

ANFD Automation



The world's first feedback-based automation system, replicating operator activities with 24/7 consistency.

Vertical Dryer



A 100% discharge dryer, specifically designed for the pharmaceutical industry.

Robust Systems

ASME Accreditation

Authorised 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

We are an ISO 9001:2015 certified Company

EAC Certification

Certified for manufacturing pressure vessels as per the Russian Directives.



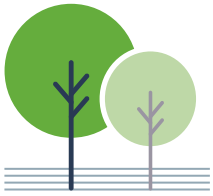
Environment, Social and Governance (ESG)

Committed to driving sustainable change

We consistently integrate environmental, social, and governance (ESG) practices into our operations, driven by responsible and ethical principles, aimed at creating lasting value for all stakeholders.



Environment



Contributing to
environmental stewardship

We are dedicated to fostering a cleaner, greener future by proactively managing our environmental impact. This commitment drives our investments in energy conservation technologies, zero liquid discharge plants, and comprehensive waste management solutions.





The World Environment Day, observed annually on June 5th, is a global initiative focused on raising awareness and encouraging action to protect our environment. While we can't reverse the past, we can grow forests, revive water sources, and restore soils. As we progress, the importance of World Environment Day becomes even more significant.

Each year, this day highlights a specific environmental concern. The theme for World Environment Day 2024 is "Land Restoration, Desertification, and Drought Resilience," with the slogan "Our Land, Our Future – We are Generation Restoration."

At HLE Glascoat, we celebrated World Environment Day across all our units in Anand, Maroli, and Silvassa, organising various programmes to raise awareness about environmental issues.

Anand Unit Initiatives

- Over 100 plants were planted, and saplings were distributed to employees for planting at home and in other areas.
- Awareness sessions were conducted on the importance of planting trees to reduce environmental pollution and initiatives to protect the environment.

Maroli Unit Initiatives

- We launched the "Swachh Sagar, Surakshit Sagar" campaign, a 75-day citizen-led initiative to improve ocean health through collective action. The campaign focused on three goals: consuming responsibly, segregating waste at home, and disposing of waste responsibly.
- Around 1,000 kg of waste was cleaned from Ubharat, Dandi, and Bhat (Bilimora) beaches, with more than 1,000 people from surrounding villages participating.
- We donated 500 tree guards to protect young trees in local villages.
- A garden plantation project was executed at ITI Bilimora, with 100 plants donated to create a sustainable and vibrant green space.
- The garden beautification project at Maroli Village was completed, transforming open areas into well-maintained gardens, fostering a sense of community and promoting environmental sustainability.

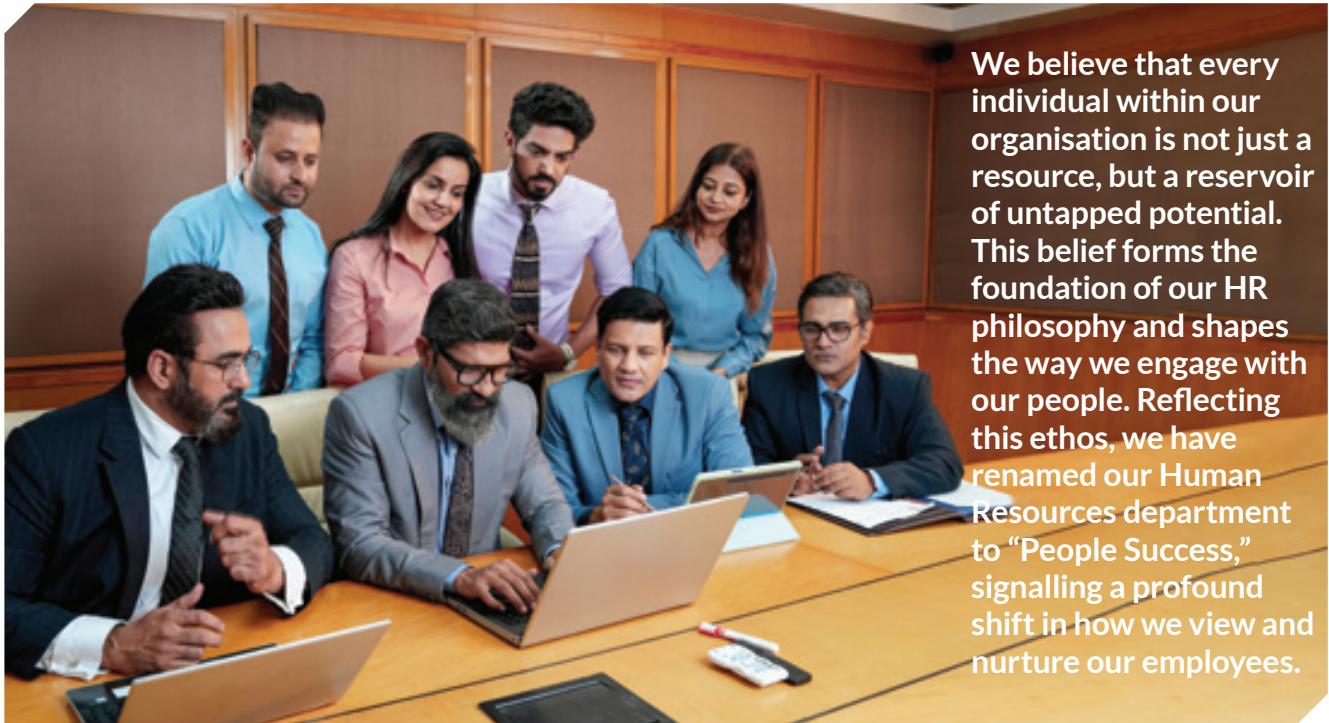


Social



Employees

Nurturing potential for organisational success



We believe that every individual within our organisation is not just a resource, but a reservoir of untapped potential. This belief forms the foundation of our HR philosophy and shapes the way we engage with our people. Reflecting this ethos, we have renamed our Human Resources department to “People Success,” signalling a profound shift in how we view and nurture our employees.

People success at HLE Glascoat is centered on empowering every individual to achieve their fullest potential, thereby contributing to the success of our teams and the organisation. Our approach is driven by a comprehensive Organisational Development (OD) strategy that fosters an environment of continuous learning, growth, and innovation. We are dedicated to building capabilities at every level, ensuring that our people have the tools, skills, and opportunities they need to excel in their roles and advance in their careers.

To realise this vision, we have implemented a range of strategic initiatives focused on collaboration, engagement, and high performance. These include tailored development programmes, leadership development, performance management, employee

well-being, and cultivating an inclusive culture. By nurturing the potential within our people, we are building a stronger, more resilient, and innovative entity for the future.

Key Initiatives

Encouraging Employee Communication

We prioritise open communication to enhance collaboration and engagement across all levels. We have introduced several key initiatives, including Sampark, Samvaad, Samavesh, Sparsh, and Sandesh, each aimed at driving our organisation and people toward greater success. These initiatives support new employees during their transition, helping them integrate into our culture through a structured

onboarding process. By emphasising early engagement, we foster a supportive work environment from the start. The initiatives also provide a platform for employees to receive strategic updates, share insights, and discuss company-wide matters in an informal setting, strengthening alignment with our organisational goals.

Additionally, these programmes facilitate direct engagement between new employees and key stakeholders, ensuring a smooth transition and successful integration into the organisation. Sandesh, a newsletter from the Directors, keeps employees informed and connected by sharing key updates and strategic insights.

Employee Capability Enhancement

We are committed to boosting our team's skills and performance through strategic programmes designed to build a robust talent pool, driving both individual and organisational success. Our strategic interventions focus on quality, cost management, and delivery performance, aligning our operational practices with our strategic objectives.

Through these initiatives, we aim to create a more efficient, high-quality, and responsive organisation, enhancing our competitive edge and delivering exceptional value to our customers. Our key focus areas include delivering high-quality products, meeting customer commitments, and achieving sustainable growth.

These initiatives also align our executive team with strategic goals, enhancing decision-making, resource allocation, and risk management. By fostering accountability and ownership, we aim to create a positive work culture, improving leadership effectiveness and boosting employee morale. This approach strengthens our competitive position, improves customer loyalty, and enhances our financial health and sustainability.

Key achievements in FY 2023-24

157
Employees onboarded

4,872
Training manhours

2,055
Worker training manhours

3,352
Safety training manhours

110
Training sessions conducted

31
Worker training sessions

160
Safety training sessions





Environment / Sustainability Initiatives



We established 'Rahat Dar Nu Dawakhanu,' a dedicated medical facility aimed at providing accessible healthcare services and medications to those in need, thereby contributing to the overall well-being and health empowerment of the community.

Swachh Sagar, Surakshit Sagar (Clean Coast Safe Sea) Campaign:

A 75-day citizen-led initiative aimed at enhancing ocean health through collective action. This campaign focused on three core objectives: 1) Responsible consumption, 2) Waste segregation at home, and 3) Responsible disposal. Around 1,000 kg of waste was collected from various beaches, including Ubhrat, Dandi, and Bhat (Bilimora), with the active participation of around 1,000 individuals from neighboring villages.

Tree Guard Distribution:

To promote healthier and more robust tree growth during the crucial early stages, we distributed 500 tree guards to surrounding villages.

Garden Plantation:

We donated over 100 plants for garden plantation at ITI Bilimora, contributing to creating a vibrant and sustainable green space on the campus.

Garden Beautification:

A garden beautification project was undertaken in the village of Maroli to provide residents with a peaceful and recreational environment, fostering well-being and strengthening community bonds.

Promoting Education, Art, and Culture

Education Scholarships:

We provide educational scholarships to support the pursuit of higher studies by top-ranked students from nearby village schools who excelled in the HSC examination. This initiative ensures equal opportunities for students, regardless of their socio-economic background, with scholarships awarded to 12 students.

Promoting Healthcare, Destitute Care, and Rehabilitation

Nutrition Kit Distribution to T.B. Patients:

In alignment with India's goal to eliminate tuberculosis (TB) by 2025 under the

Pradhan Mantri TB Mukta Bharat Abhiyaan, we have been providing essential nutrition kits to individuals undergoing TB treatment. This initiative has been ongoing for over three years, with monthly distributions of kits.

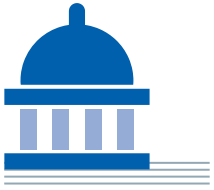
Inauguration of 'Rahat Dar Nu Dawakhanu':

We established 'Rahat Dar Nu Dawakhanu,' a dedicated medical facility aimed at providing accessible healthcare services and medications to those in need, thereby contributing to the overall well-being and health empowerment of the community.

Tribal Aawas Construction:

We constructed ten houses in Nadod for underprivileged families as part of the Tribal Aawas Construction initiative. This effort empowers tribal communities through sustainable housing, fostering dignity, resilience, and inclusive development.

Governance



Upholding highest governance standards

At HLE Glascoat, corporate governance is not just a regulatory requirement but a fundamental aspect of our business and core to our existence. We view corporate governance as a system that drives us to achieve long-term strategic goals while safeguarding the interests of all stakeholders. Our commitment to corporate governance is grounded in core ethical values of transparency, integrity, professionalism, and accountability.



We uphold these values by ensuring transparency in all operations, making timely disclosures, and consistently enhancing stakeholder value. We firmly believe that strong governance positively impacts our reputation, employees, customers, and stakeholders at large.

Our governance framework is built on the following principles:



Strong, Independent Board

Our Board is composed of seasoned professionals with extensive knowledge and diverse experience, ensuring robust and independent oversight.



Accountability and Transparency

We maintain a high level of accountability in our operations and conduct, with a focus on transparency.



Independent Financial Verification

We ensure the accuracy and integrity of our financial reporting through independent verification.



Legal and Regulatory Compliance

We adhere strictly to all applicable laws and regulations, ensuring that our business practices meet the highest standards.



Value Creation for Stakeholders

Our governance practices are designed to create value and maximise wealth for all stakeholders.



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.



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.



Ms. Vijayanti Punjabi

Independent Director

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



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.



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.



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.



Audit Committee

Stakeholders Relationship Committee

Nomination & Remuneration Committee

Risk Management Committee

Corporate Social Responsibility Committee

Chairman

Member

Corporate Information

Corporate Identity Number [CIN]

L26100GJ1991PLC016173

Board of Directors

Mr. Yatish Parekh

Chairperson and Independent Director

Mr. Himanshu Patel

Managing Director

Mr. Aalap Patel

Executive Director

Mr. Harsh Patel

Executive Director

Mr. Nilesh Patel

Non-Executive Director

Ms. Vijayanti Punjabi

Women Independent Director

Mr. Sandeep Randery

Independent Director

Mr. Jayesh Shah

Independent Director

Company Secretary and Compliance Officer

Mr. Achal Thakkar

Chief Financial Officer

Mr. Naveen Kandpal

Statutory Auditors

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

Internal Auditors

- (1) For Anand Works:
CNK & Associates LLP,
Chartered Accountants
Vadodara.
- (2) For Maroli Works and
Silvassa Works:
AKMK & Associates LLP,
Chartered Accountants
Surat.

Lenders

State Bank of India
HDFC Bank Limited
Citi Bank
ICICI Bank Limited
Bajaj Finance Limited

Secretarial Auditors

D. G. Bhimani & Associates,
Practicing Company Secretary
Anand.

Registered Office

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

Registrar and Share Transfer Agent

Link Intime India Private Limited
“Geetakunj” 1, Bhakti Nagar Society,
Behind ABS Tower, Old Padra Road,
Vadodara - 390 015



Notice

NOTICE is hereby given that the 33rd Annual General Meeting of HLE GLASCOAT LIMITED will be held on Thursday, 26th day of September, 2024 at 11:00 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, 2024, 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, 2024, together with the Report of the Auditors thereon.
2. To declare dividend of ₹1.1 (55%) per equity share having face value of Rs. 2 each for the financial year ended March 31, 2024.
 3. To confirm dividend of Rs.0.19 (9.5%) per preference shares having face value of Rs.10 each (paid up value Rs.2 per share) for the financial year ended March 31, 2024 in accordance with the terms of issue.
 4. To appoint a Director in place of Mr. Aalap Patel (DIN: 06858672), Director, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. To approve / ratify the remuneration payable to Cost Auditors for financial year 2024-2025.

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) 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 (Rupee 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, 2025, is hereby ratified and approved."

By the Order of the Board of
HLE Glascoat Limited

Date : May 27, 2024
Place : Silvassa, Dadra & Nagar Haveli

Achal Thakkar
Company Secretary

NOTES:

(A) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) with respect to Item no. 5 forms part of this Notice. The Board of Directors has considered and decided to include Item No. 5 as given above as Special Business in the forthcoming AGM as it is unavoidable in nature. The relevant details as set out under Item No. 4 of the Notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) in respect of the Directors seeking re-appointment at this AGM are also part of this Notice.

(B) Instructions for Participation through VC

1. The Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 09/2023 dated September 25, 2023 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/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 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 Conferencing (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 33rd Annual General Meeting of the Members of the Company is being held through VC/OAVM on September 26, 2024. 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 nimish.mehta@nmco.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 Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, 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 26, 2024. 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 10 (ten) days before the date of 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 2023-24 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 33rd Annual General Meeting and Annual Report for the financial year 2023-24 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 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 Companies Act, 2013, Mr. Aalap Patel (DIN: 06858672), Director, is liable to retire by rotation at the 33rd Annual General Meeting and being eligible has offered himself for reappointment.
9. The OAVM platform "InstaMeet" of the RTA of the Company Link Intime India Pvt. Ltd. has been chosen for conducting the 33rd Annual General Meeting of the Company. Instructions for joining the 33rd 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 India Pvt. Ltd. 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 4 (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 33rd 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 they'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.: (022-49186175).

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

In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their votes 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. 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 23, 2024 (9:00 a.m. IST) and ends on September 25, 2024 (5:00 p.m. IST). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off date September 19, 2024, may cast their votes electronically. Thereafter, the Remote E-voting module shall be disabled by LIPL at 5.00 p.m. IST on the last day i.e. September 25, 2024. A person who is not a Member of the Company 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 held 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.com and 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 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

4. 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 India Pvt. Ltd. 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 Numerical/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 on “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 India Pvt. Ltd. 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 India Pvt. Ltd.: <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”.
5. Mr. D. G. Bhimani, Proprietor of M/s. D. G. Bhimani & Associates, Practicing Company Secretaries, Anand is appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at AGM in a fair and transparent manner.
 6. 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.
 7. 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 Pvt. 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 20, 2024 to Thursday, September 26, 2024 (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 consecutive 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) authority of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2017 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 2016-17 is September 26, 2024. Hence, members are requested to realize 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 |
|----------------------------|---------------------------|------------------------|---------|---------------------------|------------------------|
| 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 30, 2029 |
| 2019-20 (Interim Dividend) | February 11, 2020 | March 9, 2027 | 2022-23 | September 28, 2023 | October 27, 2030 |
| 2019-20 (Final Dividend) | September 19, 2020 | October 17, 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://www.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 19, 2024.

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 19, 2024.

8. A separate reminder has also been sent / will also be sent to those Shareholders having unclaimed dividends related to financial year 2016-17 to 2022-23.
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 The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 folio 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's 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 27, 2024

Place : Silvassa, Dadra & Nagar Haveli

Achal Thakkar
Company Secretary



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

Item No. 5

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, 2025.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 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, 2025 by passing an Ordinary Resolution as set out at Item No.5 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. The Board recommends the Ordinary Resolution set out at Item No.5 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 27, 2024
Place : Silvassa, Dadra & Nagar Haveli

Achal Thakkar
Company Secretary

ANNEXURE TO THE EXPLANATORY STATEMENT

| Particulars | Mr. Aalap Patel |
|---|---|
| DIN | 06858672 |
| Date of Birth | October 17, 1987 |
| Date of 1 st Appointment on the Board | 31/12/2022 (Date Of First Appointment 31/12/2016) |
| Qualifications | B. E. (Mechanical), M.B.A |
| Terms & Conditions of Appointment / Re-Appointment | Re-appointed as Executive Director for a period of three (3) years, w.e.f. 31/12/2022, liable to retire by rotation |
| Details of Last Remuneration Drawn (FY 2023-24) | 92,25,000/- |
| Details of Proposed Remuneration | - |
| Nature of Expertise / Experience | More than 14 years of experience in the business of chemicals and engineering. |
| Names of Listed Entities in Which Directorship is held | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> - Chairman of Risk Management Committee - Member of Audit Committee, Stakeholders Relationship Committee and CSR Committee |
| No. of share held | 9,44,165 equity shares of face value of Rs. 2 |
| No. of Board Meetings attended | 5 |
| Relationship with other Directors/ KMPs | He is the son of Mr. Nilesh Patel, Nephew of Mr. Himanshu Patel and First Cousin of Mr. Harsh Patel. All are appointed as Directors of the Company w.e.f. December 31, 2016. |
| Pecuniary Relations with the Company | Following companies/ entities, in which Mr. Aalap Patel has direct/ indirect interest, have pecuniary relations with the Company, in accordance with Section 188 of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 <ul style="list-style-type: none"> • HN Indigos Private Limited • Yashashvi Agrochemical Private Limited • Kinam Engineering Industries Private Limited • M/ s. HL Equipments • Yashaswati Foundation |

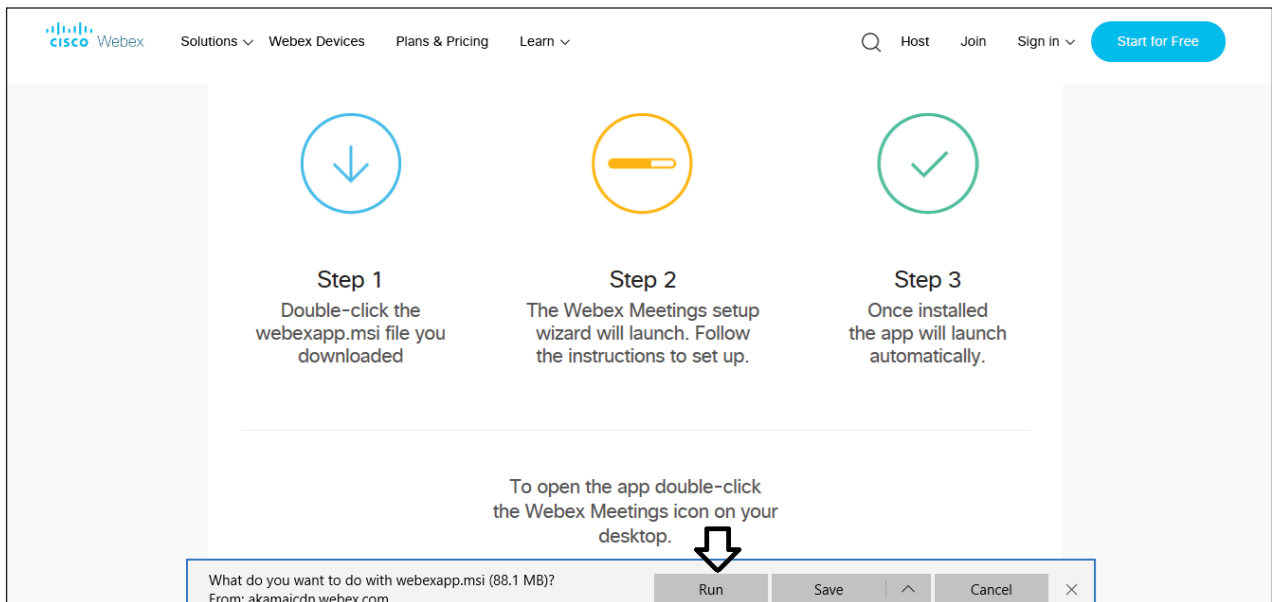
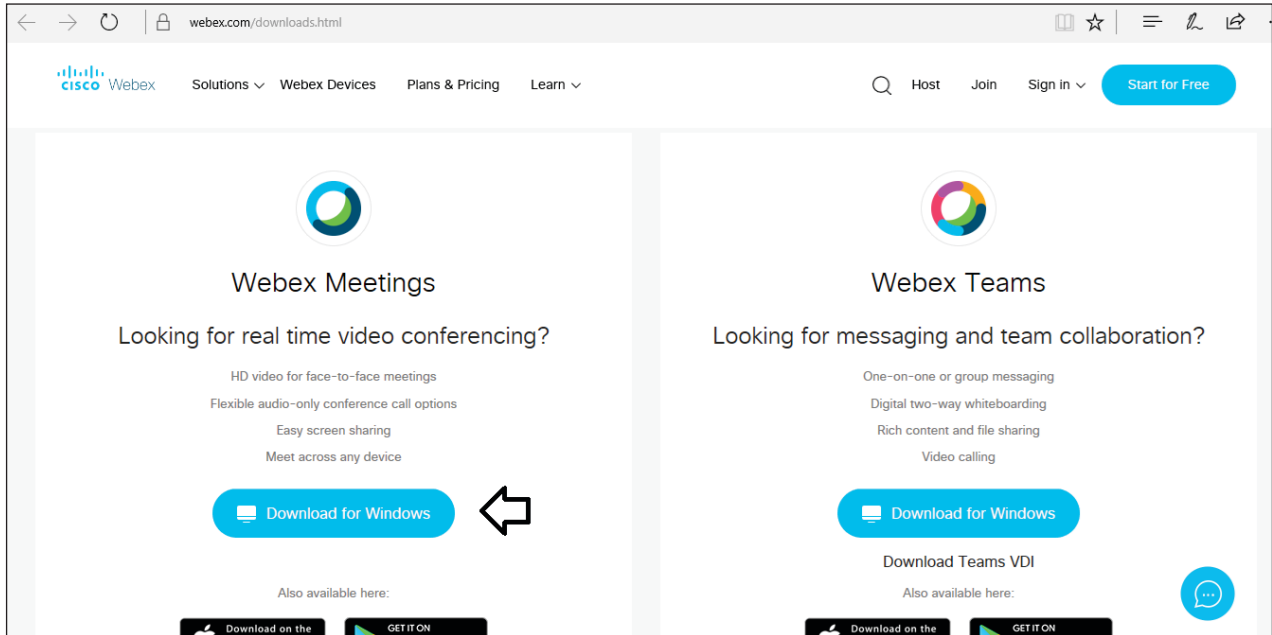


Annexure

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:

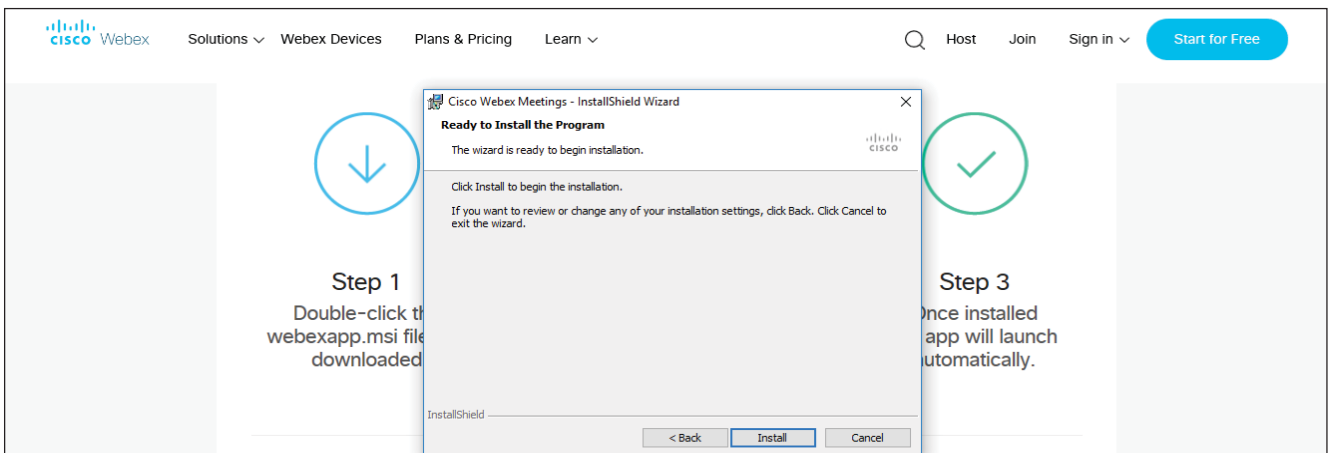
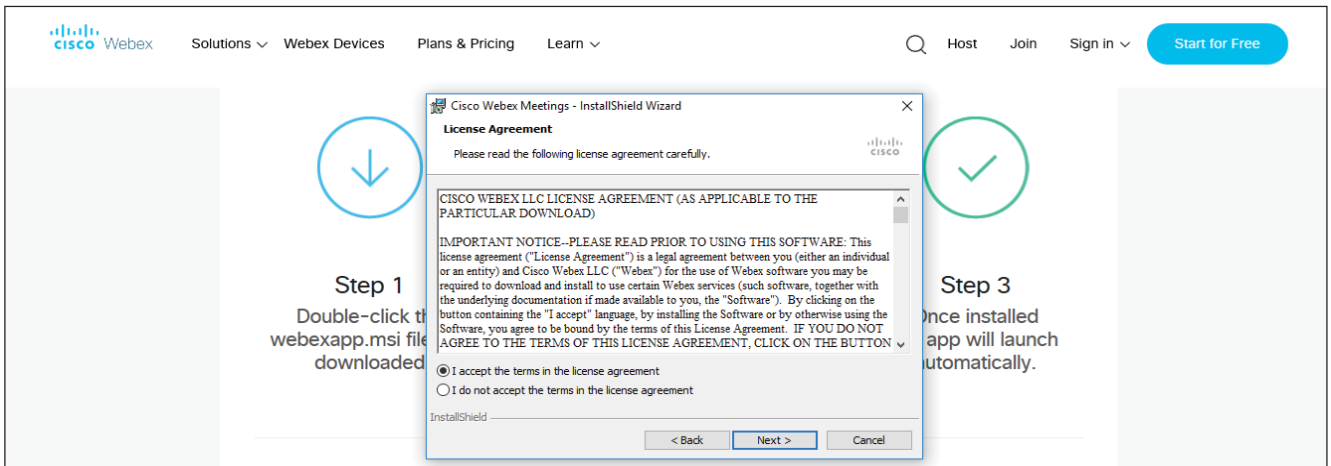
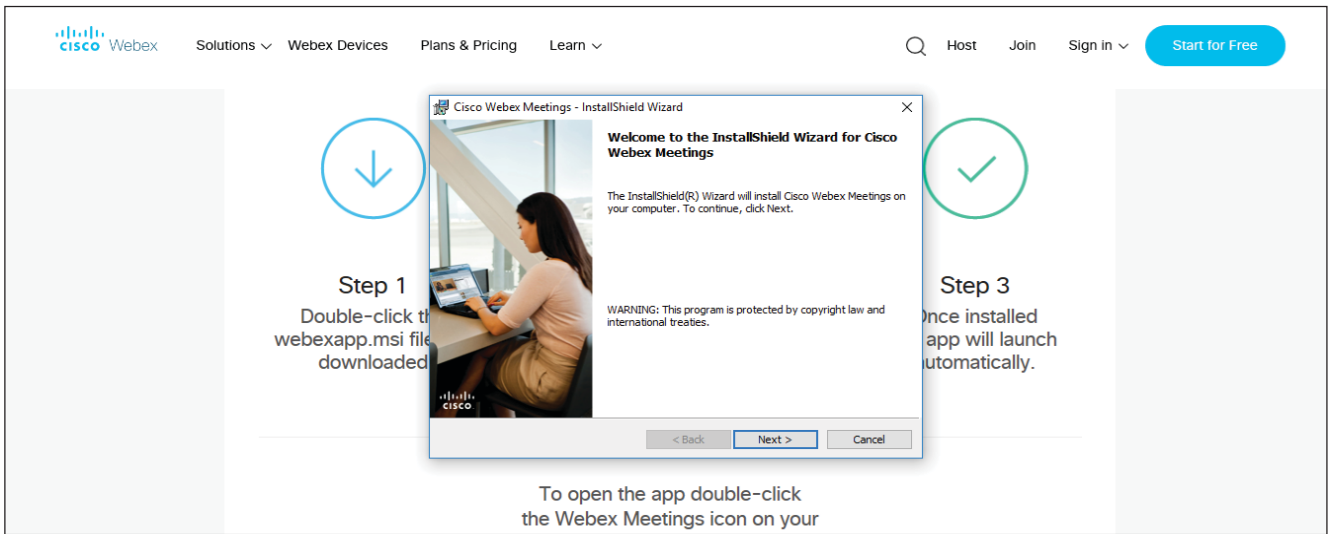
- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



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:

The screenshot shows the Cisco Webex 'Join Event Now' page. On the left, there is an 'Event Information' section with fields for 'Event status:', 'Date and time:', 'Duration:', and 'Description:'. Below this, a message states: 'By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).' On the right, there is a 'Join Event Now' button. Below it, a message reads: 'You cannot join the event now because it has not started.' This is followed by a form with four input fields: 'First name:', 'Last name:', 'Email address:', and 'Event password:'. A red arrow points to the 'First name' field with the text 'Mention your First name, Last name and email address'. Below the form is a 'Join Now' button, with another red arrow pointing to it. Below the 'Join Now' button, there is a link: 'Join by browser **NEW!**'. At the bottom, it says 'If you are the host, [start your event](#).' In the top right corner, there is a language selector showing 'English' and 'Mumbai Time'.

Board's Report

Dear Members,

Your directors are pleased to present the 33rd Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

| PARTICULARS | Consolidated | | Standalone | |
|---|--------------|-----------|------------|-----------|
| | 2023-2024 | 2022-2023 | 2023-2024 | 2022-2023 |
| Revenue from Operations | 96,792.02 | 93,202.30 | 59,070.85 | 64,944.35 |
| Other Income | 881.62 | 802.73 | 1,514.34 | 1,195.14 |
| Total Income | 97,673.64 | 94,005.03 | 60,585.19 | 66,139.49 |
| Profit before Finance Costs, Depreciation, Exceptional Items, Extraordinary Items and Tax | 12,087.71 | 14,507.30 | 7,728.01 | 10,633.17 |
| Less: Finance Costs | 3,057.97 | 2,304.61 | 2,663.73 | 2,154.59 |
| Profit before Depreciation, Exceptional Items, Extraordinary Items and Tax | 9,029.74 | 12,202.69 | 5,064.28 | 8,478.58 |
| Less: Depreciation/ Amortisation/ Impairment | 2,631.06 | 2,269.88 | 1,397.36 | 1,257.30 |
| Profit before Exceptional Items, Extraordinary Items and Tax | 6,398.68 | 9,932.81 | 3,666.92 | 7,221.28 |
| Less: Exceptional Items and Extraordinary Items | 530.97 | 0.00 | 530.97 | 0.00 |
| Profit before Tax | 5,867.71 | 9,932.81 | 3,135.95 | 7,221.28 |
| Less: Current Tax, net of earlier year adjustments | 2,200.14 | 2,593.21 | 782.42 | 1,564.73 |
| Less: Deferred Tax | -421.29 | 358.95 | -310.31 | 214.27 |
| Profit after Tax for the financial year (A) | 4,088.86 | 6,980.65 | 2,663.84 | 5,442.28 |
| Profit for the financial year from Continuing Operations | 4,450.74 | 7,081.20 | 3,025.72 | 5,542.83 |
| Profit for the financial year from Discontinuing Operations | (361.88) | (100.55) | (361.88) | (100.55) |
| Profit for the financial year (A) | 4,088.86 | 6,980.65 | 2,663.84 | 5,442.28 |
| Total Other Comprehensive Income/ Loss (B) | 38.39 | 1,018.07 | -32.43 | 0.76 |
| Total Comprehensive Income for the financial year (A+B) | 4,127.25 | 7,998.72 | 2,631.41 | 5,443.04 |
| Earnings Per Share (EPS in Rupees) | | | | |
| From Continuing Operations | | | | |
| Basic | 6.52 | 10.37 | 4.43 | 8.12 |
| Diluted | 6.52 | 10.37 | 4.43 | 8.12 |
| From Discontinuing Operations | | | | |
| Basic | (0.53) | (0.15) | (0.53) | (0.15) |
| Diluted | (0.53) | (0.15) | (0.53) | (0.15) |

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

BUSINESS OVERVIEW

During the year under review (FY 2023-24), the world continued to have the crises that started during FY 2022-23. 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 FY 2023-24, the consolidated total revenues of the Company stood at Rs. 967.92 crores compared with Rs. 932.02 crores in the previous FY 2022-23, registering a growth of 3.9% on a year-on-year basis. The filtration, drying and other equipment contributed approximately 39% of the revenue at Rs. 373.66 crores compared to Rs. 344.19 crores in the previous year, posting a growth of 8.6% on a year-on-year basis. The glass lined business contributed to the total revenue at Rs 496.76 crores in FY 2023-24 against Rs. 579.08 crores in the previous FY 2022-23. This also includes the impact of the consolidation of the Thaletec financials. The consolidated EBITDA for the year was Rs. 115.57 crores compared with Rs. 145.07 crores in the previous FY 2022-23. The Company reported EBITDA margins of 11.94 % against 15.6% in the previous FY 2022-23. The consolidated PAT stood at Rs. 40.89 crores compared with Rs. 69.81 crores in the previous FY 2022-23.

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.

- 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 in turn has a wholly owned subsidiary, Thaletec Inc., USA.

The Financial Highlights of Thaletec GmbH (including its step-down subsidiary) is as under:

Financial highlights

| Particulars | (Rs. In Lakhs) | |
|--|----------------|-----------|
| | 2023-2024 | 2022-2023 |
| Total Income | 29,384.39 | 28,372.72 |
| Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income) | 2,925.64 | 4,746.62 |
| Profit Before Tax (after adjusting Other Comprehensive Income) | 2,015.29 | 3,968.71 |
| Profit After Tax (after adjusting Other Comprehensive Income) | 1,346.95 | 2,780.79 |
| Total Assets | 21,886.46 | 19,304.73 |
| Equity Share Capital | 307.56 | 303.71 |
| Other Equity | 7,683.28 | 7,087.99 |
| Total Equity | 7,990.84 | 7,391.70 |

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

Kinam Group

The Company on 26th September 2023, completed the acquisition of 35.56% profit share with a controlling interest in Kinam Engineering Industries (Kinam) (a partnership firm) for the purchase consideration of Rs.7,996.66 lakhs in cash. The Company had acquired 0.50% equity shareholding in Kinam Enterprise Private Limited (KEPL) for the purchase consideration of Rs. 3.34 lakhs in cash. A business succession agreement and a Shareholders agreement has been executed on 10th January, 2024 to be effective from 1st January, 2024 between Kinam, its partners and Kinam Engineering Industries Private Limited (KEIPL), a company

incorporated on 9th October, 2023, for the business succession and functioning of KEIPL.

Further, the Board has approved an additional acquisition of 34.44% profit share and controlling interest in Kinam by raising the profit share with controlling interest to 70.00% subject to fulfilment of certain obligations and court approval for amalgamation of KEPL into the Company. The Company has already filed draft scheme of Amalgamation between KEPL and the Company with both the Stock Exchanges for their in-principle approval and the same is under process.

In view of the above, the financial information for FY 2023-2024 includes the performance of Kinam / KEIPL, KEPL which have become subsidiaries and also Kinam Process Equipment Private Limited (KPEPL) which have become step-down subsidiary (subsidiary of KEPL). The brief details of the subsidiaries is as under:

Kinam Engineering Industries (Kinam) (a partnership firm) / succeeded to Kinam Engineering Industries Pvt Ltd from 01st January 2024 - Subsidiary

Kinam Enterprise Private Limited (KEPL) - Subsidiary

Kinam Process Equipments Private Limited (KPEPL) - step-down subsidiary (subsidiary of KEPL).

The Financial Highlights of Kinam (KEIPL) / KEPL/ KPEPL is as under:

| Particulars | Kinam Engineering Industries / Kinam Engineering Industries Pvt Ltd. (26/09/23 to 31/03/24) | Kinam Process Equipments Private Limited (01/10/23 to 31/03/24) | Kinam Enterprise Private Limited (01/10/23 to 31/03/24) |
|--|---|---|---|
| Total Income | 9,001.83 | 258.25 | - |
| Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income) | 2,506.17 | 219.04 | (11.08) |
| Profit Before Tax (after adjusting Other Comprehensive Income) | 2,044.04 | 219.04 | (11.08) |
| Profit After Tax (after adjusting Other Comprehensive Income) | 1,392.89 | 219.04 | (09.12) |
| Total Assets | 29,234.61 | 926.78 | 668.54 |
| Equity Share Capital | 22,501.00 | 668.14 | 668.14 |
| Other Equity | 562.46 | 219.04 | (9.11) |
| Total Equity | 23,063.46 | 887.18 | 659.03 |

The financial information includes from 26th September 2023 to 31st December 2023 related to Kinam Engineering Industries (Partnership firm) and from 01st January 2024 to 31st March 2024 related of Kinam Engineering Industries Pvt Ltd., upon its succession.

Thaletec (Previously known as H L Equipments)

Thaletec (Previously known as H L Equipments) is a Partnership Firm, in which your Company owns 99% ownership interest. The partners of the Firm have entered into an amendment of Partnership Deed on 25th August, 2023, for change of the name of the Firm from HLEquipments to Thaletec. The necessary name change in the records of the Registrar of Firms was done on 28th March, 2024.

During the year there were no operations in the firm, however, it is anticipated to have the business activities in near future.

As per the requirements of Section 129(3) of the Companies Act, 2013, 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.

- DIVIDEND**

Your Directors are pleased to recommend a Dividend of Rs. 1.1 (55%) per equity share of face value of Rs.2/- each for the

financial year ended March 31, 2024. The Dividend, subject to the approval of the Members at the 33rd 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.0.19 on 9.50% non -convertible cumulative redeemable preference share (NCCRPS). The dividend is 9.50% of the paid-up value of Rs.2 per share, (Rs. 8 has been redeemed as per the terms of issue of NCCRPS).

- TRANSFER TO RESERVES**

The Board of Directors of your Company have transferred Rs.1,000 lakhs to General Reserve for the financial year under review.

- SHARE CAPITAL**

Your Company's paid-up Share Capital as on March 31, 2024 was Rs.14.40 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.2 per share (Rs.8 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 and out of the profits of the Company in accordance with Section 55 of the Companies Act, 2013.

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 read with Rule 4(4) of the Companies (Share Capital and Debentures) 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 Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debentures) 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 Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) 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 Companies Act, 2013 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 the 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 Companies Act, 2013 read with Chapter V and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2023-2024 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 Companies Act, 2013 have been provided in the note no. 31(b) to the consolidated Financial Statements and the note no. 30(c) to the Standalone Financial Statements. Your Company has complied with the provisions of Sections 186 of the Companies Act, 2013 to the extent applicable, with respect to the loans and investments made.

• **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the financial year 2023-2024 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.16.01 lakhs pertaining to the financial year 2015-16, 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.8.23 lakhs have been transferred to the IEPF Authority towards the final equity dividend declared for financial year 2022-2023 at the Annual General Meeting held on September 28, 2023, for the 7,48,350 equity shares held by the IEPF Authority.
- 26,000 equity shares of Rs. 2 each have been transferred to the IEPF Authority after compliance of due procedures as prescribed and 9,000 shares have been credited to the Shareholders account against their claim, 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 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 Companies Act, 2013 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 Companies Act, 2013 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 Companies Act, 2013 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 and except the persons whose details are mentioned in the Top 10 employees in Annexure IV, forming part of the Board's Report. There being no other employees falling under the subject category, the particulars required to be disclosed under Section 134 of the Companies Act, 2013 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 2023-2024 has been uploaded on the Company's website: <https://hleglascoat.com/corporate-governance/> in accordance with the provisions of Section 134 of the Companies Act, 2013.

• **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 (CP 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 REPORT

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 the 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. Sandeep Randery - Member (Independent Director)
- c. Mr. Yatish Parekh - Member (Independent Director)

During the year 2023-2024, Three (03) Meetings were held on May 29, 2023, November 6, 2023 and February 13, 2024 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 Report.

• DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) C read with 134(5) of the Companies Act, 2013, 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 Company 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, financial, 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 Companies Act, 2013. During the period under review, no Non-Executive Director of your Company had any pecuniary relationship or transactions with your Company except as stated elsewhere in this Report and in the notes to the accounts.

Mr. Aalap Patel, Executive Director (DIN: 06858672), is retiring by rotation and being eligible, have offered himself for re-appointment at the ensuing Annual General Meeting. The brief profile of Mr. Aalap Patel has been given in the Notice convening the Annual General Meeting.

The day-to-day operations of your Company are managed by its Key Managerial Personnel ("KMP") viz. the Managing Director, the Executive Director, the Chief Financial Officer and the Company Secretary. As required under the provisions of Section 203 of the Companies Act, 2013, 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 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
6. Independent Directors' 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 of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 (SS-1) for holding Board Meetings and the gap between two meetings did not exceed 120 days. Six (6) Meetings of the Board of Directors of the Company were held during the year under review on May 29, 2023, July 31, 2023, August 07, 2023, September 26, 2023, November 06, 2023 and February 13, 2024.

• **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to Section 149(7) of the Companies Act, 2013, 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 Companies Act, 2013, 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 Companies Act, 2013 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 2023-2024, 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 13, 2024, 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, 2023 to December 31, 2023. In accordance with the provisions of the Section 149 of the Companies Act, 2013 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 13, 2024, 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, 2023 to December 31, 2023. 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 13, 2024, reviewed the performance of the Executive Directors of the Company with special attention to the leadership criteria for the Managing Director, the Executive Director and Whole-Time Director for the period from January 1, 2023 to December 31, 2023. 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 Companies Act, 2013, 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 Companies Act, 2013 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 2023-2024, 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 Companies Act, 2013 and the Rules made 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 2023-2024 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://www.hleglascoat.com/wp-content/uploads/2023/08/HGL-WHISTLE-BLOWER-POLICY-VIGIL-MECHANISM_12.06.2021-R.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 Companies Act, 2013, 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 till the 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, 2024, forms part of the Annual Report. There is no qualification, reservation or adverse remark or any disclaimer of opinion in their Report.

In accordance with the Section 40 of the Companies (Amendment) Act, 2017 (corresponding to Section 139 of the Act) and revised Secretarial Standard-2, 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 Companies Act, 2013, 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 (CP No. 6628) as the Secretarial Auditors for the financial year 2023-2024 in accordance with Section 204 of the Companies Act, 2013. The Report on Secretarial Audit issued by the Secretarial Auditor for the financial year 2023-2024, 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 of opinion 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. N. M. & Co., Practising Company Secretaries (C P No. 9651), as the Secretarial Auditors for the financial year 2024-25. The Company has received the consent from M/s. N. M. & Co. for the said appointment.

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

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2).

- **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 2023-2024; 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 2023-2024.

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 2024-25.

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 2023-2024 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 2024-2025. 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 2024-2025 as per details provided in the Notice of the ensuing Annual General Meeting.

- **LISTING REGULATIONS COMPLIANCE / LISTING ON NSE**

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**

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2024.

- **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 27, 2024
Place: Silvassa, Dadra & Nagar Haveli



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 |
|----|--|---|---|--|---------------------------------|--|----------------------------------|--|
| 1 | Name of the subsidiary | Thaletec GmbH | Thaletec USA INC | Thaletec (formerly known as HL Equipments) | Kinam Engineering Industries | Kinam Engineering Industries Private Limited | Kinam Enterprise Private Limited | Kinam Process Equipments Private Limited |
| 2 | The date since when subsidiary was acquired | 17 th December 2021 | 17 th December 2021 | 11 th January 2017 | 26 th September 2023 | 01 st January 2024 | 1 st October 2023 | 1 st October 2023 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | Jan 1, 2023 - Dec 31, 2024 | Jan 1, 2023 - Dec 31, 2024 | NA | NA | NA | NA | NA |
| 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 :- 90.2178 INR/1 EUR | Reporting currency :- in EUR Exchange rate :- 90.2178 INR/1 EUR | NA | NA | NA | NA | NA |
| 5 | Share capital | 135.33 | 172.23 | NA | NA | 22,501.00 | 668.14 | 668.14 |
| 6 | Reserves and surplus | 7,557.59 | 125.69 | 264.61 | NA | 562.46 | (9.12) | 219.04 |
| 7 | Total assets | 21,532.78 | 353.68 | 292.20 | NA | 29,234.61 | 670.51 | 926.80 |
| 8 | Total Liabilities | 13,839.86 | 55.76 | 27.59 | NA | 6,171.15 | 11.49 | 39.62 |
| 9 | Investments | 167.75 | - | - | - | - | 668.14 | 926.73 |
| 10 | Turnover | 28,827.06 | 196.93 | - | 3,000.43 | 5,946.91 | - | - |
| 11 | Profit before taxation | 2,007.43 | 17.71 | (28.93) | 896.07 | 1,169.51 | (11.08) | 219.04 |
| 12 | Provision for taxation | 662.09 | 6.25 | (10.79) | 312.21 | 338.93 | (1.96) | - |
| 13 | Profit after taxation | 1,345.34 | 11.46 | (18.14) | 583.86 | 830.58 | (9.12) | 219.04 |
| 14 | Proposed Dividend | 809.10 | Nil | Nil | Nil | Nil | Nil | Nil |
| 15 | Extent of shareholding (in percentage) | 100% | 100% | 99.00% | 35.56% | 35.56% | 0.50% | 0.50% |

Notes:

- 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.
- 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'S REPORT FOR THE YEAR ENDED MARCH 31, 2024****(A) Conservation of Energy**

The Company is continuously making efforts to improve Energy Management by way of closely monitoring the 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 and implementing necessary changes whenever required.
- Continuously replacing inefficient equipment with the latest energy efficient technology and upgradation of equipment continually.
- focusing on the awareness of energy saving within the organization by various awareness programs 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.
- In addition to above measure undertaken on continuous basis, few steps initiated during the financial year under review were, viz., timer fitting in shed lights, timer fittings in pumps, MGVCL line HT modification, etc.

(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 as 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.
- Two (2) Windmills with an installed capacity of 250 KW each at Sujapur in Ratlam, Madhya Pradesh in Financial Year 2007-08.
- Solar plant at Maroli works.

Total generation was Rs.21.64 Lakhs units in FY 2023-24.

(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;**

- Radio remote fitting in cranes and manipulator for faster outputs.
- Improved cranes operations with smoother start operations and reduction in mechanical failures.



- Improvement in quality and more efficient operational cycle with auto rotators.
- Smart automation in the products, viz. ANF & ANFD, making them highly efficient and providing human error free performance.
- Implemented 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.326.75 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:

| Particulars | (Rs. in lakhs) | |
|----------------------------------|----------------|----------|
| | 2023-24 | 2022-23 |
| 1. Total Foreign Exchange Outgo | 3310.99 | 4,044.48 |
| 2. Total Foreign Exchange Earned | 1268.17 | 2,398.11 |

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 27, 2024
Place: Silvassa , Dadra & Nagar Haveli

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 2023-24 | Ratio of Remuneration to MRE [^] for financial year | |
|-------------------------|---------------------------------------|--|-----------|
| | | Excl. KMP | Incl. KMP |
| Managing Director | -10.08 | 49.08 | 48.88 |
| Executive Director | 12.63 | 29.53 | 29.41 |
| Whole time Director * | 110.00% | 20.17 | 13.72 |
| Company Secretary | 1.11% | 5.12 | 5.10 |
| Chief Financial Officer | 2.29% | 13.77 | 13.72 |

| Median remuneration of employee | % change in median remuneration in |
|---------------------------------|------------------------------------|
| Excl. Remuneration of KMPs | 8.84 |
| Incl. Remuneration of KMPs | 8.99 |

The remuneration provided herein is Gross Remuneration.

* Whole-Time Director was appointed w.e.f. 01.10.2022 and served for 6 months in FY 2022-23 and therefore, the remuneration for FY 2023-24 and FY 2022-23 is not comparable. (During FY 2022-23 Whole Time Director's salary was Rs.60.00 Lakhs p.a. (w.e.f. 01.10.2022) which was increased in FY 23-24 to Rs.66.00 Lakhs p.a. (10% increase w.e.f. 01.10.2023)

[^] Median Remuneration of Employee

Notes:

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

The aforesaid remuneration of KMPs and employees is based on the annualized Gross Remuneration 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 2023-24, 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, 2024 | Excl. KMPs | Incl. KMPs |
|---|------------|------------|
| | 595 | 600 |

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 2023-24 |
|---|---|
| Average Salary of the employees (excl KMP) | -1.21% |
| Average Salary of KMPs | 59.84% |
| Justification/ information of exceptional circumstances for increase in managerial remuneration | Not Applicable. |

By the Order of the Board of
HLE Glascoat Limited

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

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

Date: May 27, 2024
Place: Silvassa , Dadra & Nagar Haveli



ANNEXURE-IV TO THE BOARD'S REPORT

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

| Sr. No. | Names of Employees | Designation | Remuneration (Rs.) | Nature of Employment Contractual or otherwise | Qualifications & Experience | Date of Commencement of employment | Age (Yrs.) | Last employment before joining the Company | % of shares held in the Company | Relationship with any Director or manager of the Company |
|---------|-------------------------|--------------------------------|--------------------|---|------------------------------------|------------------------------------|------------|--|---------------------------------|--|
| 1 | Kiran Sudhakar Kulkarni | VP - Operations | 73.10 | | BE Mechanical, DME in Business Mgt | 20-Nov-23 | 55 | GEA Process Engineering (India) Pvt. Ltd. | 0 | |
| 2 | Vijay Saini | VP - Operations | 60.78 | | BE Mechanical | 01-Dec-21 | 52 | Plasser India | 0 | |
| 3 | Bharat Dhanak | VP - Sales & Marketing | 60.40 | | B.com, PG (IT) | 05-Oct-11 | 46 | Standard Radiator Pvt Ltd | 0 | |
| 4 | Amit Kalra | Director - Sales & Marketing | 53.71 | | BE Chemical, MBA | 01-Sep-22 | 45 | Yashashvi Rasayan Pvt. Ltd. | 0 | |
| 5 | Rohan Lele | VP - People Success | 52.21 | Permanent | MHRM | 01-Aug-22 | 40 | Atul Ltd | 0 | None |
| 6 | Vaibhav Gokhale | VP - Sales & Marketing (South) | 46.94 | | BE Mechanical, MBA Marketing | 20-Jun-22 | 43 | Praj Hipurity System Ltd | 0 | |
| 7 | Dinesh Chander | Sr. GM - Manufacturing | 39.96 | | BE Mechanical, MBA Operation | 29-Aug-22 | 51 | GE Power India Ltd | 0 | |
| 8 | Ashley Lemos | DGM - Sales & Marketing | 31.35 | | BE Mechanical | 08-Jan-08 | 55 | Joflo Engineers Pvt. Ltd. | 0 | |
| 9 | Santosh Bhat | GM - Purchase | 29.80 | | BE Mechanical | 08-Aug-22 | 51 | Elecon Engineering | 0 | |
| 10 | Dinesh Patel | GM - Production | 29.55 | | Diploma Mechanical | 01-Apr-20 | 51 | ISGEC Hitachi Zosen Limited | 0 | |

By the Order of the Board of
HLE Glascoat Limited

Date: May 27, 2024
Place: Silvassa, Dadra & Nagar Haveli

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

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

ANNEXURE V TO THE BOARD'S REPORT

Business Responsibility and Sustainability Report

Forming part of the Board's Report

Section A: GENERAL DISCLOSURES

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 2023-24 |
| 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 14,02,82,960 |
| 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 |
| 14. Name of assurance provider: | Not Applicable as the Company does not fall under the purview of Assurance as per SEBI mandate. |
| 15. Type of assurance obtained: | Not Applicable |

II. Product/Services

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

| Sr. 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) | 98.64% |

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

| Sr. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---------|--|----------|---------------------------------|
| 1. | Manufacturing of Special Purpose Machinery | 28299 | 98.64% |



III. Operations

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

| Location | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National | 4 | 9 | 13 |
| International | 1 | 8 | 9 |

19. Markets served by the entity

a. Number of locations

| Location | 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?

3.81%

c. A brief on types of customers

The company caters to a wide array of customers in India's pharmaceutical (API) and chemical sectors, including agrochemicals, specialty chemicals, fine chemicals, dyes, pigments, and the food industry. It provides an extensive range of solutions for storage, reactions, heat exchange, distillation, and solid-liquid separation. With a versatile product lineup, the company serves clients across diverse industries such as food, pharmaceuticals, nutraceuticals, marine, and more.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

| Sr.No. | Particulars | Total (A) | Male | | Female | |
|------------------|------------------------------|-------------|-------------|---------------|-----------|--------------|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent(D) | 590 | 553 | 94% | 37 | 6% |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D+E) | 590 | 553 | 94% | 37 | 6% |
| WORKERS | | | | | | |
| 4. | Permanent(F) | 150 | 150 | 100% | 0 | 0% |
| 5. | Other than Permanent (G) | 1475 | 1471 | 99.73% | 4 | 0.27% |
| 6. | Total workers (F+G) | 1625 | 1621 | 99.75% | 4 | 0.25% |

b. Differently abled Employees and workers:

| Sr.No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|------------------------------|-----------|----------|----------------|----------|-----------|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent(D) | 2 | 2 | 100% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | Total employees (D+E) | 2 | 2 | 100.00% | 0 | 0% |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent(F) | 2 | 2 | 100% | 0 | 0% |
| 5. | Other than Permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | Total workers (F+G) | 2 | 2 | 100.00% | 0 | 0% |

21. Participation/Inclusion/Representation of women:

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

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

| | FY 2024 | | | FY 2023 | | | FY 2022 | | |
|---------------------|---------|--------|-------|---------|--------|-------|---------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 25% | 27% | 25% | 20% | 31% | 21% | 15% | 26% | 15% |
| Permanent Workers | 9% | - | 9% | 10% | - | 10% | 16% | - | 16% |

V. Holding, Subsidiary and Associate companies (including joint ventures)**23. a. 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. Thalectec (Formerly H L Equipment) | 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 |
| 4. | Kinam Engineering Industries Pvt. Ltd. | Subsidiary | 35.56% | No |
| 5. | Kinam Enterprise Pvt. Ltd. | Subsidiary | 0.50% | No |
| 6. | Kinam Process Equipment Pvt. Ltd. | Step-down subsidiary | 0.50% | No |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹): ₹ 59070.85 Lakhs

(iii) Net worth (in ₹): ₹ 34772.99 Lakhs



VII. Transparency and Disclosures Compliances

25. 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) | (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|--|--|--|---|--|--|---|
| | | | 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 | Whistleblower Policy - Vigil Mechanism | 0 | 0 | The complaints received are addressed fairly and transparently and pending complaints, if any are resolved in next reporting cycle. | 0 | 0 | The complaints received are addressed fairly and transparently and pending complaints, if any are resolved in next reporting cycle. |
| Investors (other than shareholders) | Yes | | 0 | 0 | | 0 | 0 | |
| Shareholders | Yes | | 23 | 0 | | 22 | 0 | |
| Employees and workers | Yes | | 0 | 0 | | 0 | 0 | |
| Customers | Yes | | 144 | 0 | | 167 | 0 | |
| Value Chain Partners | Yes | | 0 | 0 | | 0 | 0 | |
| Other (please specify) | NA | | NA | NA | | NA | NA | |

* The number of complaints for FY 2023 in the customers category has been restated as revised categorization is considered.

26. 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. | Emission 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 |

| 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) |
|--------|-----------------------------|--|---|---|--|
| 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 wellbeing, the Company aims to foster a culture of excellence, drive business growth, and create a sustainable future for organization. | - | Positive |
| 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 |



| 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) |
|--------|---------------------------|--|---|---|--|
| 8. | Chemical Safety | Risk | Proper management of chemicals are 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.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | 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 | 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 | Yes |
| 3. Do the enlisted policies extend to your value chain partners? | 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, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> - 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. - LR 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 entity with defined timelines, if any. | None |
| 6. Performance of the entity 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 related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | <p>Dear Shareholders,</p> <p>As we reflect on the past year, I'm pleased to report that HLE Glascoat's commitment to ESG and sustainability has yielded significant results. Our achievements in these areas are not only a testament to our dedication but also a reflection of our ability to navigate complex challenges while prioritizing long-term value creation.</p> <p>We've made substantial strides in reducing our environmental footprint. By increasing our reliance on renewable energy sources and implementing energy-efficient practices, we've achieved a notable decrease in our carbon emissions. Additionally, our unwavering focus on safety has resulted in an outstanding safety record, underscoring our commitment to the well-being of our employees.</p> <p>Our dedication to social responsibility extends beyond our operations. We've continued to invest in our communities through initiatives that support education, healthcare, and sustainable development. These efforts align with our belief that businesses have a responsibility to contribute positively to the societies in which they operate.</p> <p>Governance remains a cornerstone of our approach. We've strengthened our corporate governance practices to ensure transparency, accountability, and ethical conduct. By fostering a culture of integrity and compliance, we've reinforced our commitment to responsible business practices.</p> <p>Looking ahead, we're excited about the opportunities that lie ahead. We will continue to prioritize ESG and sustainability as we strive to create long-term value for our shareholders, customers, employees, and communities. Our unwavering focus on innovation, operational excellence, and responsible business practices will position us for continued success in the years to come.</p> <p>Thank you for your continued support.</p> <p>Sincerely,</p> <p style="text-align: center;">Himanshu Patel Managing Director</p> |
|--|---|

| | |
|--|--|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The Board of Directors is accountable for overseeing and upholding the Business Responsibility policies. The Executive Director and the senior management team are entrusted with implementing and tracking these policies, following the Board's direction. |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | No. However, the Executive Director and Whole-time Director, with support from the senior management team, are responsible for overseeing sustainability-related matters within the organization. They regularly assess the effectiveness of internal systems in handling sustainability issues. |



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 | Y | Y | Y | Y | Y | Y | Y | Y | Y | Periodically | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Y | Y | Y | Y | Y | Y | Y | Y | Y | 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 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 entity does not consider the principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity 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) | | | | | | | | | |

Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Business 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 | 4 | During the reporting year, the Board of Directors and its various committees receive comprehensive updates on topics, including performance, compliance, governance, and significant regulatory changes. These updates emphasize compliance and reporting requirements. Key Managerial Personnel (KMPs) are also part of these meetings. | 100% |
| Key Managerial Personnel | 4 | | 100% |
| Employees other than BoD and KMPs | 38 | Innovation, Leadership, Welding, ASME QMS, ISO 9001:2015 Awareness, Communication Skill, Problem Solving Skill, Power BI, Awareness on 5s, Material Handling, Inventory Management | 100% |

| 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 |
|---------|--|--|---|
| Workers | 31 | Welding, Blade Assembly, Non Drive & Drive Assembly Tank Fabrication, Hydrotest Preparation, Bottom Assembly, Shaft Fabrication, General Fabrication, Awareness on 5s, Material Handling | 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 Obligations) 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 case 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.

Yes, the Company is dedicated to upholding the highest standards of ethics, honesty, integrity, and transparency in its business practices. To ensure compliance with legal and regulatory requirements, a Whistle-blower/Vigil Mechanism policy has been established, enabling employees to report any concerns about legal violations or inaccuracies in financial statements and reports. Additionally, the Company’s Code of Conduct strictly forbids bribery, corruption, and the exchange of gifts or payments to gain business advantages. This Code applies to all employees, including Board Members and Senior Management. Employees are informed about the Code of Conduct and policies during their induction and receive periodic updates. The weblink of the policy is https://www.hleglascoat.com/wp-content/uploads/2023/08/HGL-WHISTLE-BLOWER-POLICY-VIGIL-MECHANISM_12.06.2021-R.pdf.

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 2024 | FY 2023 |
|-----------|---------|---------|
| Directors | None | None |
| KMPs | None | None |
| Employees | None | None |
| Workers | None | None |



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

| | FY 2024 | | FY 2023 | |
|--|---------|---------|---------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | None | NA | None | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | None | NA | None | NA |

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.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2024 | FY 2023 |
|-------------------------------------|---------|---------|
| Number of days of accounts payables | 57.08 | 68.69 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2024 | FY 2023 |
|----------------------------|--|---------|---------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | 23% | 23% |
| | b. Number of trading houses where purchases are made from | 88 | 62 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 17% | 19% |
| Concentration of Sales | a. Sales to dealers/ distributors as % of total sales | NA | NA |
| | b. Number of dealers distributors to whom sales are made | NA | NA |
| | c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors | NA | NA |
| Share of RPTs in | a. Purchases (Purchases with related parties/ Total Purchases) | 0.24% | 0% |
| | b. Sales (Sales to related parties/ Total Sales) | NA | NA |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | NA | NA |
| | d. Investments (Investments in related parties/ Total Investments made) | NA | NA |

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 |
|---|---|---|
| 14 | 1. Vendor development 2. Quality improvement 3. New component development, Optimal pricing, Alternative development 4. Quality enhancement 5. Inhouse engineering development | 0.085% |

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.

Yes. The company has established robust procedures that require employees and key stakeholders to disclose any potential conflicts of interest. Additionally, training programs on the code of conduct and ethical practices ensure transparency and fairness, upholding the company's integrity.

PRINCIPLE 2: Business 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 2024 | FY 2023 | Details of improvements in environmental and social impacts |
|-------|---------|---------|---|
| R&D | 0.55% | Nil | With a focus on B2B, the company tailors its product specifications to meet end-client requirements, which means it does not conduct independent R&D. However, the company has created innovative designs and process applications that fulfil customer expectations. |
| Capex | Nil | 0.02% | - |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 No, the company ensures that its suppliers, vendors, and contractors comply with all relevant labour laws, health and safety standards, service delivery requirements, and other regulations.
- 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
- Plastics (including packaging)
 - E-waste
 - Hazardous waste and
 - other waste.

None. The Company has effective procedures to efficiently handle, manage, recycle, and dispose of waste 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. Due to the nature of the business, Extended Producer Responsibility 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 2024 | FY 2023 |
| 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 2024 | | | FY 2023 | | |
|--|---------|----------|-----------------|---------|----------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | Nil | Nil | Nil | Nil | Nil | Nil |
| E-waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Hazardous waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Other waste (Non -hazardous waste including metal scrap and solid waste) | 0.81 | 537.18 | Nil | 1.11 | 636.55 | Nil |

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: Business 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 | 553 | 553 | 100% | 553 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 37 | 37 | 100% | 37 | 100% | 37 | 100% | 0 | 0% | 0 | 0% |
| Total | 590 | 590 | 100% | 590 | 100% | 37% | 6.27% | 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 | 0% |

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

| Category | % of workers 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 workers | | | | | | | | | | | |
| Male | 150 | 51 | 34% | 150 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 150 | 51 | 34% | 150 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 1471 | 0 | 0% | 1471 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 4 | 0 | 0% | 4 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 1475 | 0 | 0% | 1475 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

| | FY 2024 | FY 2023 |
|---|---------|---------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.78% | 0.56% |

2. Details of retirement benefits, for Current FY and Previous Financial Year:

| Benefits | FY 2024 | | | FY 2023 | | |
|-------------------------|--|---|--|---|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employee | 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 workplaces

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, the Company's premises/offices are accessible to differently abled employees and workers in accordance with the Rights of Persons with Disabilities Act, 2016.

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 committed to creating a diverse and inclusive workplace, offering equal opportunities to all employees, including those with disabilities. Through various processes and policies, the company supports their professional development and well-being.

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 | Yes. The company has implemented Toolbox Text (TBT) sessions, complaint boxes and suggestion boxes to address and resolve grievances from employees and workers across all operations. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

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

| Category | FY 2024 | | | FY 2023 | | |
|---------------------------|--|--|-----------|--|--|-----------|
| | 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 | 590 | 235 | 40% | 576 | 212 | 37% |
| Male | 553 | 219 | 40% | 546 | 202 | 37% |
| Female | 37 | 16 | 43% | 30 | 10 | 33% |
| Total Permanent Worker | 150 | 46 | 31% | 166 | 46 | 28% |
| Male | 150 | 46 | 31% | 166 | 46 | 28% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2024 | | | | FY 2023 | | | | | |
|------------------|-------------|-------------------------------|------------|----------------------|------------|-------------|-------------------------------|-------------|----------------------|-------------|
| | 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 | 553 | 549 | 99% | 211 | 38% | 546 | 546 | 100% | 546 | 100% |
| Female | 37 | 34 | 92% | 11 | 30% | 30 | 30 | 100% | 30 | 100% |
| Total | 590 | 583 | 99% | 222 | 38% | 576 | 576 | 100% | 576 | 100% |
| Workers | | | | | | | | | | |
| Male | 1621 | 1400 | 86% | 465 | 29% | 1607 | 1607 | 100% | 1607 | 100% |
| Female | 4 | 4 | 100% | 0 | 0% | 1 | 1 | 100% | 1 | 100% |
| Total | 1625 | 1404 | 86% | 465 | 29% | 1608 | 1608 | 100% | 1608 | 100% |

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

| Category | FY 2024 | | | FY 2023 | | |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 553 | 553 | 100% | 546 | 546 | 100% |
| Female | 37 | 37 | 100% | 30 | 30 | 100% |
| Total | 590 | 590 | 100% | 576 | 576 | 100% |
| Workers | | | | | | |
| Male | 1621 | 1621 | 100% | 1607 | 1607 | 100% |
| Female | 4 | 4 | 100% | 1 | 1 | 100% |
| Total | 1625 | 1625 | 100% | 1608 | 1608 | 100% |

10. Health and safety management system:

- a. 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 fostering a culture of safety and well-being for employees and stakeholders. To protect workers from potential work-related injuries, a comprehensive Occupational Health and Safety (OHS) management system has been implemented across all operations, ensuring a safe and healthy workplace for everyone.

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

The health and safety policy includes a dynamic process to identify and assess safety risks and work-related hazards regularly. Routine activities utilize the Hazard Identification and Risk Management (HIRA) system for daily monitoring and observation. Non-routine activities require a permit system to ensure thorough assessments and necessary precautions are taken.

- c. 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 comprehensive safety and hazard incident reporting and management system where potential workplace hazards are promptly reported and resolved. Workers can use various systems to report safety concerns, including the Near Miss reporting system, the Safety Committee, and the Daily reporting system (UA/UC).



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

Yes, The Company ensures access to non-occupational healthcare services and partners with hospitals for medical assistance in the event of work-related accidents or injuries. Employees and their families are given health cards and insurance coverage, and a dedicated medical center with doctors is available for routine care.

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

| Safety Incident/Number | Category | FY 2024 | FY 2023 |
|---|-----------|---------|---------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0.59 |
| | Workers | 0 | |
| Total recordable work-related injuries | Employees | 0 | 1 |
| | Workers | 2 | 6 |
| 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 is central to the Company's philosophy. The Company implements various programs to prevent accidents, illnesses, and injuries, including:

- Shop floor and classroom training to raise employee awareness.
- Regular evacuation drills, mock drills, and workplace monitoring.
- Integration of the ERP system with the Emergency Response Team (ERT) for prompt emergency response. For more details, refer to Principle 3.

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

| | FY 2024 | | | FY 2023 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | 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. Assessment for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 0 |
| Working Conditions | 0 |

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.

Not Applicable

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 provides a Group Personal Accident (GPA) insurance policy for 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 Wage Registers and PF Contributions provided by personnel suppliers. Prompt actions are taken to expedite GST filings by Material Suppliers if payments are not made or reflected on the GST Portal. The finance department closely monitors vendors' statutory dues, including GST payments, through government websites. Vendors are notified via email to ensure timely payments; legal actions are initiated as needed for non-responsive vendors.

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 | Nil, the Company expects all its value chain partners like suppliers and contractors to |
| Working Conditions | 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: Business 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 clear processes to identify key stakeholder groups directly affected by its operations. Comprehensive mapping exercises prioritize stakeholders—including employees, customers, investors, suppliers, regulators, local communities, and NGOs—based on their impact on daily operations. Various communication channels, as detailed in Question 2, facilitate engagement. The Stakeholder and Relationship Committee ensures effective self-regulation to safeguard stakeholders' interests. By incorporating stakeholders' perspectives, the Company makes informed decisions and develops strategies that align with their interests, promoting 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, wellbeing 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 Meeting | 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 Indicator

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 ensures transparency in addressing stakeholder concerns through its Stakeholders' Relationship Committee and other committees, including Audit, Nomination and Remuneration, Risk Management, and Corporate Social Responsibility. These committees regularly review stakeholder concerns related to economic, environmental, and social issues, and the Company shares its policies and actions for feedback. Insights from these consultations are integral to shaping strategy, business objectives, and informed decision-making.

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.

The Company prioritizes resolving community grievances and concerns and promotes the well-being of marginalized and vulnerable groups through its CSR initiatives.

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 2024 | | | FY 2023 | | |
|------------------------|-------------|--|-------------|-------------|--|-------------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 590 | 590 | 100% | 576 | 576 | 100% |
| Other than permanent | 0 | 0 | 100% | 0 | 0 | 0 |
| Total Employees | 590 | 590 | 100% | 576 | 576 | 100% |
| Workers | | | | | | |
| Permanent | 150 | 150 | 100% | 166 | 166 | 100% |
| Other than permanent | 1475 | 1475 | 100% | 1442 | 1442 | 100% |
| Total Workers | 1625 | 1625 | 100% | 1608 | 1608 | 100% |

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

| Category | FY 2024 | | | | | FY 2023 | | | | |
|-----------------------------|-----------|-----------------------|-----------|------------------------|-----------|-----------|-----------------------|-----------|------------------------|-----------|
| | 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 | 553 | 11 | 2% | 542 | 98% | 546 | 21 | 4% | 525 | 96% |
| Female | 37 | 3 | 8% | 34 | 92% | 30 | 4 | 13% | 26 | 87% |
| 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 | 150 | 8 | 5% | 142 | 95% | 166 | 12 | 7% | 154 | 93% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent | | | | | | | | | | |
| Male | 1517 | 593 | 39% | 863 | 57% | 1441 | 419 | 29% | 1022 | 71% |
| Female | 4 | 2 | 50% | 2 | 50% | 1 | 0 | 0 | 1 | 100% |



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

a. Median remuneration/wages:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 3 | 66,00,000 | 0 | - |
| Key Managerial Personnel | 5 | 68,50,000 | 0 | - |
| Employees other than BoD and KMP | 693 | 3,26,466 | 45 | 2,55,420 |
| Workers | 165 | 2,20,923 | 0 | 0 |

*KMP includes Managing Director and 2 executive directors which are also covered under the category of BoD.

* Under the category of BOD, only 3 directors are considered for the calculation who are drawing remuneration (Directors who are drawing sitting fees are not included).

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2024 | FY 2023 |
|---|---------|---------|
| Gross wages paid to females as % of total wages | 3.28% | 3.08% |

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)

Yes. The HR department is tasked with resolving employee grievances in a fair and transparent manner, ensuring strict adherence to human rights guidelines and standards throughout the organization. Employees can use suggestion boxes available in all units to submit their grievances.

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

Yes. The Company has a robust internal mechanism for resolving grievances, including those related to human rights issues. All workforce grievances are addressed transparently through the structured approach set by management.

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

| | FY 2024 | | | FY 2023 | | |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | 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 | 0 | 0 | - | 0 | 0 | - |
| Discrimination at workplace | 0 | 0 | - | 0 | 0 | - |
| Child Labour | 0 | 0 | - | 0 | 0 | - |
| Forced Labour/Involuntary Labour | 0 | 0 | - | 0 | 0 | - |
| Wages | 0 | 0 | - | 0 | 0 | - |
| Other human rights related issues | 0 | 0 | - | 0 | 0 | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024 | FY 2023 |
|---|---------|---------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees / workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases.

The Company adheres to strict policies and guidelines to prevent discrimination and promote an inclusive environment with equal opportunities for all employees and workers. It emphasizes gender equality and prohibits discrimination based on sex, color, race, ethnicity, and similar factors. Employees are encouraged to report concerns freely, without fear of retaliation or disadvantage. Confidentiality is maintained as needed during the resolution process, underscoring our dedication to a safe and supportive environment for open communication.

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

Yes, Human rights requirements form a part of the company's business agreements and contracts.

10. Assessment 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 | - |

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

Not Applicable

Leadership Indicators

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

By upholding basic human rights standards in its business practices, the Company has responsibly managed its operations, avoiding the need for any process modifications due to human rights grievances or complaints.

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

The Company periodically conducts audits to ensure responsible business conduct, ensuring the absence of child labour, forced labour, discrimination, or unsafe working conditions. For more details on the scope and coverage of human rights due diligence, please 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?

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

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Child labour | Nil, the Company expects all its vendors, suppliers and other value chain partners to comply with ethical standards, labour laws, safety laws, human rights for continued engagement with the Company |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| 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.

Not Applicable

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 2024 | FY 2023 |
|--|--|------------------|-------------------|
| From renewable sources | | | |
| Total electricity consumption (A) | GJ | 7013.29 | 3285.50 |
| Total fuel consumption (B) | GJ | - | - |
| Energy consumption through other sources (C) | | - | - |
| Total energy consumed from renewable sources (A+B+C) | GJ | 7013.29 | 3285.50 |
| From non-renewable sources | | | |
| Total electricity consumption (D) | GJ | 64627.67 | 71445.75 |
| Total fuel consumption (E) | GJ | 39857.32 | 48758.18* |
| Energy consumption through other sources (F) | GJ | | - |
| Total energy consumed from non-renewable sources (D+E+F) | GJ | 104484.99 | 120203.93* |
| Total energy consumed (A+B+C+D+E+F) | GJ | 111498.28 | 123489.42* |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | GJ/INR | 1.89 | 1.90 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP) | GJ/ rupee turnover adjusted for PPP | 42.28 | 42.15 |
| Energy intensity in terms of physical output | GJ/unit of equipment produced | 48.45 | 47.60 |

* Figures for FY 2023 have been restated for fuel consumption under non-renewable sources as the revised approach is taken for categorisation of fuel and to maintain comparability & uniformity in reporting.

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 2024 | FY 2023 |
|---|---------|---------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface Water | 3863 | 3826 |
| (ii) Ground Water | 7247 | 5135 |
| (iii) Third Party Water | 0 | Nil |
| (iv) Seawater / desalinated water | 0 | Nil |
| (v) Others | | Nil |

| Parameter | FY 2024 | FY 2023 |
|---|---------|---------|
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 11110 | 8961 |
| Total volume of water consumption (in kilolitres) | 11110 | 8961 |
| Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) | 0.18 | 0.14 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP) | 4.21 | 3.05 |
| Water intensity in terms of physical output (per equipment produced) | 7.48 | 7.30 |

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. Provide the following details related to water discharged:

| Parameter | FY 2024 | FY 2023 |
|--|------------|------------|
| 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 discharge (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

5. 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 have Zero Liquid Discharge plants, recycling all wastewater from operations with no liquid discharge. The Company also manages domestic wastewater through a septic system.

6. 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



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

| Parameter | Unit | FY 2024 | FY 2023 |
|--|---|----------|----------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2672.42 | 2883.27* |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 14541.49 | 16075.29 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | MT CO ₂ equivalent/ INR | 0.29 | 0.29* |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | MT CO ₂ equivalent/ rupee of turnover adjusted for PPP | 6.52 | 6.47 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | MT CO ₂ equivalent/ unit of equipment produced | 7.48 | 7.30 |

*Figures for FY 2023 have been restated as revised approach for fuel categorisation is taken.

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

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

Not Applicable

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2024 | FY 2023 |
|---|---------------|---------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | Nil | Nil |
| E-waste (B) | Nil | Nil |
| Construction and demolition waste (D) | Nil | Nil |
| Battery waste (E) | Nil | Nil |
| Radioactive waste (F) | Nil | Nil |
| Other Hazardous waste. Please specify, if any. (G) | | |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (Metal scrap + Solid waste) | 537.99 | 637.66* |
| Total (A+B + C + D + E + F + G + H) | 537.99 | 637.66* |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 0.009 | 0.009 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 0.20 | 0.21 |
| Waste intensity in terms of physical output | 0.23 | 0.24 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| i) Recycled | 537.18 | 636.55 |
| ii) Re-used | 0.81 | 1.11 |
| iii) Other recovery operations | - | - |
| Total | 537.99 | 637.66 |

| Parameter | FY 2024 | FY 2023 |
|---|---------|---------|
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| i) Incineration | - | - |
| ii) Landfilling | - | - |
| iii) Other disposal operations | - | - |
| Total | - | - |

* The numbers for FY 2022-23 are restated due to miscalculations resulting from an error in the unit of measurement.

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

10. 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.

There is no generation of hazardous and toxic chemical waste at HLE.

11. 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.

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

HLE has not undertaken any EIA in the current reporting year.

13. 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. In FY 2024, the entity adhered to all relevant environmental laws and regulations, and there were no recorded instances of non-compliance.

Leadership Indicators

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

For each facility/ plant located in areas of water stress, provide the following information:

- i) Name of the area
- ii) Nature of operations
- iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2024 | FY 2023 |
|---|---------|---------|
| Water withdrawal by source (in kilolitres) | | |
| i) Surface Water | Nil | Nil |
| ii) Ground Water | Nil | Nil |
| iii) Third Party Water | Nil | Nil |
| iv) Seawater / desalinated water | Nil | Nil |
| v) Others | Nil | Nil |



| Parameter | FY 2024 | FY 2023 |
|---|---------|---------|
| Total volume of water withdrawal (in kilolitres) | Nil | Nil |
| Total volume of water consumption (in kilolitres) | Nil | Nil |
| Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) | Nil | Nil |
| Water intensity (optional) – the relevant metric may be selected by the entity | Nil | Nil |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i) Into Surface water | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| ii) Into Groundwater | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| iii) Into 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

2. 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.

3. With respect to the ecologically sensitive areas reported at Question 11 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

4. 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 Conservation | Enhancing the utilization of renewable energy resources with dedicated cell monitoring the generation and utilization and reducing reliance on grid electricity | The initiative helped to achieve 9.5% reduction in grid electricity consumption. |
| 2. | Energy Conservation | Reducing GHG emissions by improving energy efficiency at the Plant. | This resulted into 9.2% reduction in total GHG emissions (Scope 1+Scope 2). |
| 3. | Energy Conservation | Installation of timer in shed lights, pumps and MGVCL line HT modification | This led to significant saving of energy cost and reducing environmental impacts. |
| 4. | Technology Absorption, Adaption and Innovation | Installation of auto rotators | This initiative helped to achieve enhanced efficiency in the operational cycle . |
| 5. | Technology Absorption, Adaption and Innovation | Implementation of smart automation in the products, viz. ANF & ANFD | This initiative helped to achieve high efficiency and human error free performance |

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

The Company places high importance on business continuity and disaster management within its risk strategy. It has put in place a detailed plan to maintain critical business operations without interruption during emergencies. Regular mock and fire drills are conducted to test internal systems and inform employees and stakeholders about emergency procedures. The Company has also created processes and plans focused on preparedness, response, and recovery from disruptive events.

6. 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.

There are no substantial adverse impacts on the environment resulting from the entity's value chain.

7. 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:

Not Applicable

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

None. The Company has not conducted 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.

The Company has a robust grievance redressal mechanism that includes channels for complaints and feedback to address concerns from all stakeholders, including the community. It values strong relationships with the community and recognizes their crucial role as stakeholders.

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

| | FY 2024 | FY 2023 |
|--|---------|---------|
| Directly sourced from MSMEs/ small producers | 44.00% | 34.67% |
| Directly from within India | 53.00% | 51.55% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2024 | FY 2023 |
|--------------|---------|---------|
| Rural | 40.92% | 48.95% |
| Semi-urban | 6.51% | 4.615% |
| Urban | - | - |
| Metropolitan | 52.57% | 46.44% |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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:

| Sr. No. | State | Aspirational District | Amount spent (In INR) |
|---------|-------------|-----------------------|-----------------------|
| 1 | Gujarat | Surat | 1,00,71,000 |
| 2 | Gujarat | Navsari | 31,36,290 |
| 3 | Gujarat | Bardoli | 60,00,000 |
| 4 | Gujarat | Dahej | 99,225 |
| 5 | Gujarat | Ankleshwar | 1,00,000 |
| 6 | Maharashtra | Mumbai | 13,86,132 |

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable group? (Yes/ No)
No
- b. From which marginalized /vulnerable groups do you procure?
Not Applicable
- c. 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:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|----------------|--|--------------------------|---------------------------|------------------------------------|
| 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.

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| 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 | Donation for promoting Education, Art & Culture | 1292 | 100% |
| 2 | Donation for eradicating Hunger, Poverty and Malnutrition | 110 | 100% |
| 3 | Expense for Healthcare Services to the society | 2743 | 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 focuses on promptly resolving customer complaints and feedback. Its dedicated sales and service teams handle complaints from email, phone, and other channels, investigating each issue thoroughly to achieve optimal resolutions and ensure customer satisfaction.

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 2024 | | Remarks | FY 2023 | | 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 | | 0 | 0 | |
| Advertising | 0 | 0 | | 0 | 0 | |
| Cyber-security | 0 | 0 | | 0 | 0 | |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | | 0 | 0 | |
| Unfair Trade Practices | 0 | 0 | | 0 | 0 | |
| Other | 144 | 0 | | 167* | 0 | |

*The number of complaints for FY 2023 in other category has been restated as revised categorization is considered.

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

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0 | Not Applicable |
| Forced recalls | 0 | Not Applicable |

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.

While the Company operates exclusively in the B2B sector and does not sell products online, we are deeply committed to protecting customer data from potential breaches and cyber threats. Our advanced and robust systems are specifically designed to ensure the highest standards of 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.

Not Applicable

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable

Leadership Indicators

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

Information about the Company's products and services 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.

The Company offers a customer care program tailored to requests, providing Do's & Don'ts and essential technical information. Additionally, customers receive an installation and service manual with their equipment. The Company is dedicated to delivering sustainable, high-quality products and valuable customer service.

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

The Company diligently informs customers about potential disruptions or discontinuations, ensuring they have the information needed to minimize any losses. This focus on transparent communication upholds the interests of our valued customers. Mail communication, meetings and calls can be used as channel of communication depending upon feasibility and situation.

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. The Company provides detailed product information in instructions and manuals, including equipment capacity, unique equipment number, pressure and temperature ratings, customer PO number, and tag number, all specified on the nameplate. Additionally, the Company regularly conducts customer satisfaction and feedback surveys to enhance service delivery.



Corporate Governance Report

Forming part of the Board's 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 the 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, 2024, 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 Director. The Company has a Non-Executive Chairperson and the number of Independent Directors is 50% of the total number of Directors. 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 Directorship | Inter-se relation with other Directors | No. of Public & Private Companies [#] in which Directorships held ^{##} | Names of Listed Companies (excluding your Company) in which Directorships held | | No. of Committees [^] in which appointed as a Member (M)/ Chairperson (C) | Committee Details ⁺ in other Public Limited Companies, listed or not, in which Member (M) or a Chairperson (C) |
|-----------------------|--------------------------|--|--|--|---------------------------|--|---|
| | | | | Names of other Listed Companies | Category of Directorships | | |
| A | B | C | D | E | F | G | H |
| Mr. Himanshu Patel | MD (P)** | Father of Mr. Harsh Patel, Brother of Mr. Nilesh Patel, Uncle of Mr. Aalap Patel | 7 | - | - | - | - |
| Mr. Aalap Patel | ED (P)** | Son of Mr. Nilesh Patel, Nephew of Mr. Himanshu Patel, First cousin of Mr. Harsh Patel | 3 | - | - | 2 (M) | - |
| Mr. Nilesh Patel | NED (P)** | Father of Mr. Aalap Patel, Brother of Mr. Himanshu Patel, Uncle of Mr. Harsh Patel | 6 | - | - | - | - |
| Mr. Harsh Patel | ED (P)** | Son of Mr. Himanshu Patel, Nephew of Mr. Nilesh Patel, First cousin of Mr. Aalap Patel | 6 | - | - | 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), 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.

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, 2024. 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 the 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 7 listed companies. Further, the Executive Directors of the Company do not serve as an Independent Director in any listed entity.

None of them is a member of more than 10 committees or Chairperson of more than 5 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, Committee 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, 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 6 (six) 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 29, 2023, July 31, 2023, August 07, 2023, September 26, 2023, November 06, 2023 and February 13, 2024.

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 | 5 | - | Yes |
| Mr. Nilesh Patel | 6 | 0.90 | Yes |
| Mr. Harsh Patel | 6 | - | Yes |
| Ms. Vijayanti Punjabi | 6 | 1.70 | Yes |
| Mr. Yatish Parekh | 6 | 2.20 | Yes |
| Mr. Sandeep Randery | 6 | 2.50 | Yes |
| Mr. Jayesh Shah | 6 | 2.00 | 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 Standards on Meetings 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 Standards on Meetings of the Board of Directors.

Equity Shareholding of the Non-Executive Directors in the Company as on March 31, 2024 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 | 1,71,86,114 | 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 Directors at the time of his/ her appointment, which inter alia explains the role, function, duties and responsibilities expected from him/ her as an Independent 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 Programmes 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 |



| Name of Directors | Area of Expertise | Name of Directors | Area of Expertise |
|-------------------|---|---------------------|---|
| 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 13, 2024 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 Separate Meeting of Independent Directors held on February 13, 2024:

Separate Meeting of Independent Directors':

| 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 |

During the year, as required for the purpose of scheme of amalgamation, the Company has constituted Independent Directors' Committee comprising of all the Independent Directors with Mr. Yatish Parekh, as the Chairperson of the Committee.

Attendance of the members in the said Committee meeting held on February 13, 2024:

Independent Directors' Committee Meeting:

| 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 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 shall have the relevant accounting or 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 its 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, 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 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;
 - 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 6 (six) times during the financial year in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the Listing Regulations. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 29, 2023, July 31, 2023, August 07, 2023, September 26, 2023, November 06, 2023 and February 13, 2024. The requisite quorum was present at all the Meetings. The Chairperson of the Audit Committee was present at the 32nd Annual General Meeting of the Company held on September 28, 2023 to answer the Shareholders' queries.

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

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

| Name of Member | Category | Designation | Attendance |
|---------------------|----------------------|-------------|------------|
| Mr. Yatish Parekh | Independent Director | Chairperson | 6 |
| Mr. Aalap Patel | Executive Director | Member | 5 |
| Mr. Sandeep Randery | Independent Director | Member | 6 |
| Mr. Jayesh Shah | Independent Director | Member | 6 |

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations,

Stakeholders Relationship Committee (SRC) has been constituted comprising of Mr. Sandeep Randery, Independent Director (Chairperson of the Stakeholders Relationship Committee), Mr. Jayesh Shah, Independent Director (Member), Mr. Harsh Patel, Executive Director (Member) and Mr. Aalap Patel, Executive Director (Member).

Stakeholders Relationship Committee is entrusted with responsibilities to resolve grievances of the stakeholders including but not limited to the suppliers, customers, shareholders or any party dealing with the Company.

Terms of Reference

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

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, issue of new/duplicate share certificates, general meetings, non-receipt of annual report, non-receipt of declared dividends, non-receipt of balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders, etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
- (5) 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 1 (one) time on May 29, 2023. The requisite quorum was present at the Meeting. Mr. Sandeep Randery, the Chairperson of the Committee was present at the 32nd AGM of the company held on September 28, 2023 to answer the shareholders' queries.



The table below provides the attendance of the Stakeholders Relationship Committee Members:

| Name of Member | Category | Designation | Attendance |
|---------------------|----------------------|-------------|------------|
| Mr. Sandeep Randery | Independent Director | Chairperson | 1 |
| Mr. Jayesh Shah | Independent Director | Member | 1 |
| Mr. Aalap Patel | Executive Director | Member | 1 |
| Mr. Harsh Patel | Executive Director | Member | 1 |

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.

The Company as on March 31, 2024 had 81,753 members. The status of the complaints received by the Company during the year under review is as under:

As on April 1, 2023: Nil

Received during the year: 23

Resolved during the year: 23

Outstanding as on March 31, 2024: Nil

During financial year 2023-24, 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, 2024.

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, Women 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, 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 of 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 29, 2023 and February 13, 2024. The requisite quorum was present at the Meeting. Ms. Vijayanti Punjabi, the Chairperson of the Committee was present at the 32nd AGM of the Company held on September 28, 2023 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 the 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 the basis of which the Board of Directors carries out the annual performance evaluation of the Independent Directors, are as under:

- Attendance, 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 the 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 2023-24 and outcome thereof have been provided in the Board's 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 the 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 the 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 and the Committee 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 | - | 0.90 | 0.90 |
| Ms. Vijayanti Punjabi | - | 1.70 | 1.70 |
| Mr. Yatish Parekh | - | 2.20 | 2.20 |
| Mr. Sandeep Randery | - | 2.50 | 2.50 |
| Mr. Jayesh Shah | - | 2.00 | 2.00 |

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 2023-24 are given below:

(Rs. in Lakhs)

| Name of Director | Gross Salary Including Allowances | Bonus | Commission | Total |
|--------------------|-----------------------------------|----------|--------------|---------------|
| Mr. Himanshu Patel | 110.70 | 0 | 42.60 | 153.30 |
| Mr. Aalap Patel | 92.25 | 0 | - | 92.25 |
| Mr. Harsh Patel | 63.00 | 0 | - | 63.00 |
| TOTAL | 265.95 | 0 | 42.60 | 308.55 |

Note:

- The abovementioned Directors are entitled to bonus, allowances and perquisites as per the agreements entered into with them.
- 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.
- 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

- 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, Women 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's 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 29, 2023, August 07, 2023, November 06, 2023 and February 13, 2024. The requisite quorum was present at the Meeting.

The table below provides the attendance of the CSR Committee members:

| 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 | 4 |

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

RISK MANAGEMENT COMMITTEE

Composition

The Risk Management Committee (RMC) comprises of Mr. 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 29, 2023, November 06, 2023 and February 13, 2024. The requisite quorum was present at the meeting.

The table below provides the attendance of the RMC Committee members:

| Name of Member | Category | Designation | Attendance |
|---------------------|----------------------|-------------|------------|
| Mr. Aalap Patel | Executive Director | Chairperson | 3 |
| 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

SUBSIDIARY COMPANIES

The Company has six (6) subsidiaries. The Board of Directors have adopted the Policy for determining 'material' subsidiaries as specified in Listing Regulations. This Policy is uploaded on the Company's website <https://www.hleglascoat.com> and the weblink is https://www.hleglascoat.com/wp-content/uploads/2022/11/POLICY-ON-MATERIAL-SUBSIDIARIES_09.11.2022.pdf

As defined in Regulation 16(1)(c) of Listing Regulations, during 2023-24 none of the Indian subsidiaries, falls under the category of 'material subsidiary'. The financial statements of all subsidiary



companies including investments made, if any, are periodically reviewed. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. An Independent Director of the Company is on the Board of the Indian wholly-owned subsidiary of the Company.

Particulars of Key Managerial Personnel and Senior Management

The details of the Key Managerial Personnel are specifically mentioned in the Board's Report under the head Key Managerial Personnel.

The details of Senior Management as per SEBI Listing Regulations, which includes the officers and personnel of the listed entity who are the members of its core management team, are as under:

| Particulars of senior Managerial Personnel | | |
|--|--------------------|--|
| Sr.No. | Name | Designation |
| 1 | Mr. Amit Kalra | Director |
| 2 | Mr. Pascoal Dantas | Vice President (Group Head - People Success) |
| 3 | Mr. Kiran Kulkarni | Vice President - Operations |
| 4 | Mr. Hitesh Patel | Unit Director (Silvassa) |
| 5 | Mr. Rajesh Lad | Vice President - Product Excellence |
| 6 | Mr. Naveen Kandpal | Chief Financial Officer |
| 7 | Mr. Achal Thakkar | Company Secretary |

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 2023-24. 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 |
|---|-----------------------|------------|---|---|
| 2022-23-AGM | September 28, 2023 | 10:00 A.M. | | <ul style="list-style-type: none"> a. To re-appoint Mr. Jayesh Shah (DIN: 03570056), as an Independent Director of the Company for a period of five (5) years. b. 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. |
| 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 | <ul style="list-style-type: none"> 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 of the Company. d. Sub-division of equity shares from the face value of Rs. 10/- per share to Rs. 2/- per share along with necessary Alteration in Capital clause of the Memorandum of Association. 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. |
| 2020-21-AGM | September 07, 2021 | 11:00 A.M. | | <ul style="list-style-type: none"> 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. | | <ul style="list-style-type: none"> 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. |

(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 2023-24, the Company did not pass any special resolution through postal ballot.

DISCLOSURES

A. Compliances with Governance Framework

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

B. Related Party Transactions

There were no materially significant transactions with related parties i.e. Promoters, Directors or the Management or relatives conflicting with the Company's interest. All transactions with the related parties are put before the Board for their approval, after getting in-principle approval of the



Audit Committee of the Company as and when required. The prior approvals of Shareholders/ Audit Committee/ the Board of Directors, whenever required, have also been obtained by the Company before entering into any related party transactions.

The Company executes the related party transactions considering business exigencies, including but not limited to, sectoral specialization, operational efficiencies, etc. All transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis with an intention to further the Company's interests and are in compliance with the requirements of the provisions of Section 188 of the Act. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Related Party Transaction, the extract of the policy on dealing with the related party transactions is available on the Company's website 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 their 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://www.hleglascoat.com/wp-content/uploads/2023/08/HGL-WHISTLE-BLOWER-POLICY-VIGIL-MECHANISM_12.06.2021-R.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 2023-24, 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. 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

G. Commodity trading/ hedging activities

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

There are no materially uncovered exchange rate risks in the context of the Company's exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2024 are disclosed in Notes to the standalone financial statements.

H. 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.

I. 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.

J. The Board has accepted all the recommendations, if any, of any of its Committees, which is mandatorily required, in the financial year 2023-24.**K. 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 18.88 Lakhs, Tax audit fees 2.00 Lakhs and Other fees 2.50 Lakhs.

The same is also provided in the Notes to the Financial Statements.

L. 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 at workplace.

The disclosures and details related to sexual harassment of women in workplace have been provided in the Board's 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 |
| 3 | Kinam Enterprise Private Limited (KEPL) | June 26, 2023 | Navsari, Gujarat | M M Nissim & Co LLP | July 24, 2023 |
| 4 | Kinam Engineering Industries Private Limited (KEIPL) | October 9, 2023 | Anand, Gujarat | M M Nissim & Co LLP | June 11, 2023 |
| 5 | Kinam Process Equipments Private Limited (KPEPL) | July 25, 2023 | Navsari, Gujarat | M M Nissim & Co LLP | August 23, 2023 |

M. 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. Aalap Patel (DIN: 06858672), Director, who retires 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 33rd Annual General Meeting of the Company is annexed to the Notice convening Annual General Meeting.



P. The Company has duly complied with all the requirements of para (2) to (10) of Schedule V read with provisions of Regulation 34(3) and of the Listing Regulations.

Q. **Disclosure on Compliance with Corporate Governance requirement**

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

R. **Discretionary Requirements under the Listing Regulations, 2015**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Corporate Governance Report of the Company for the Financial Year 2023-24 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.
- 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 the 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 the Investors/ Financials head of the website 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's 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 2023-24

| | |
|---|--|
| Compliance Officer | : Mr. Achal Thakkar |
| Date, Time and Venue of the 33 rd Annual General Meeting | : Thursday, 26 th day of September, 2024 at 11:00 a.m. through audio-visual means. |
| Financial Year | : 1 st April, 2023 to 31 st March, 2024 |
| Book Closure Dates | : Friday, September 20, 2024 to Thursday, September 26, 2024 (both days inclusive) |
| Last Date of Receipt of Proxy Forms | : Not Applicable |
| Registrar and Share Transfer Agents | : Link Intime India Private Limited "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara - 390 015 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's Report |

b) Listing on Stock Exchanges

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

| Name | Address | Stock Code |
|--|--|------------|
| BSE Limited (BSE) | 1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | 522215 |
| National Stock Exchange of India Limited (NSE) | 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-23 | 628 | 506 | 123 | Oct-23 | 569 | 494 | 76 |
| May-23 | 649 | 591 | 58 | Nov-23 | 552 | 502 | 50 |
| Jun-23 | 699 | 615 | 84 | Dec-23 | 555 | 519 | 36 |
| Jul-23 | 694 | 636 | 58 | Jan-24 | 582 | 533 | 49 |
| Aug-23 | 651 | 563 | 89 | Feb-24 | 544 | 494 | 50 |
| Sep-23 | 605 | 503 | 102 | Mar-24 | 503 | 405 | 98 |

*(Source: www.bseindia.com)

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



NSE:

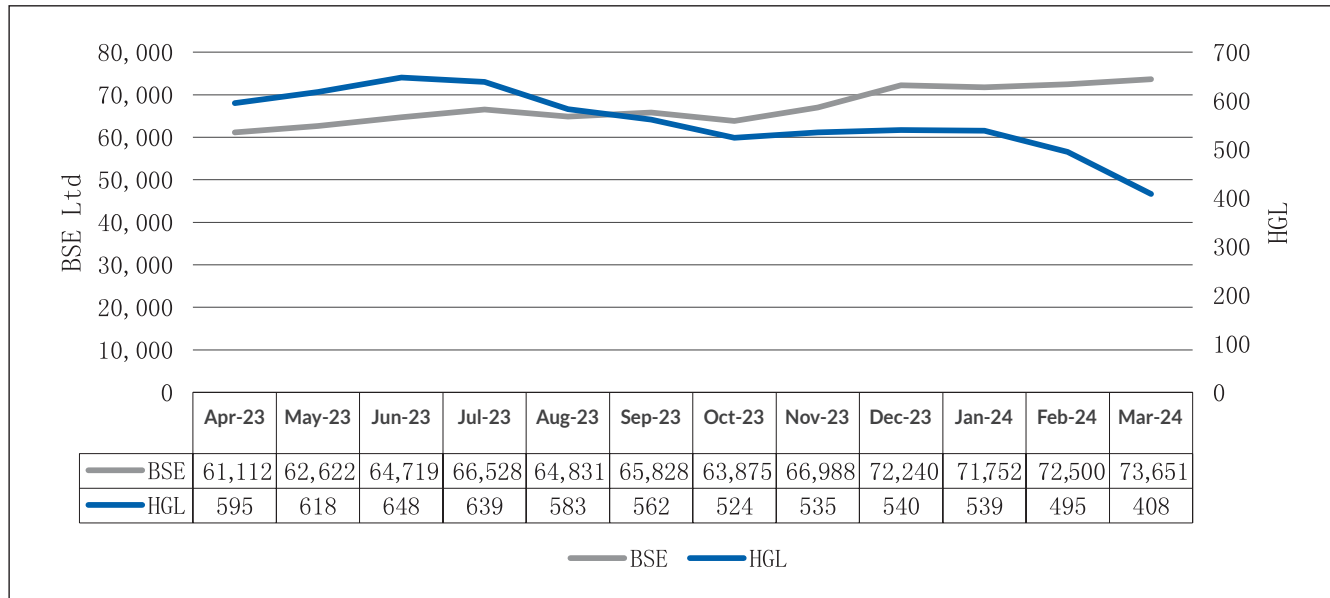
| Month | High Price | Low Price | Spread High-Low | Month | High Price | Low Price | Spread High-Low |
|--------|------------|-----------|-----------------|--------|------------|-----------|-----------------|
| Apr-23 | 630 | 505 | 125 | Oct-23 | 569 | 493 | 76 |
| May-23 | 649 | 593 | 56 | Nov-23 | 556 | 502 | 54 |
| Jun-23 | 698 | 615 | 84 | Dec-23 | 553 | 516 | 37 |
| Jul-23 | 695 | 635 | 60 | Jan-24 | 578 | 529 | 48 |
| Aug-23 | 653 | 567 | 86 | Feb-24 | 545 | 494 | 52 |
| Sep-23 | 606 | 501 | 105 | Mar-24 | 507 | 405 | 102 |

*(Source: www.nseindia.com)

** 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

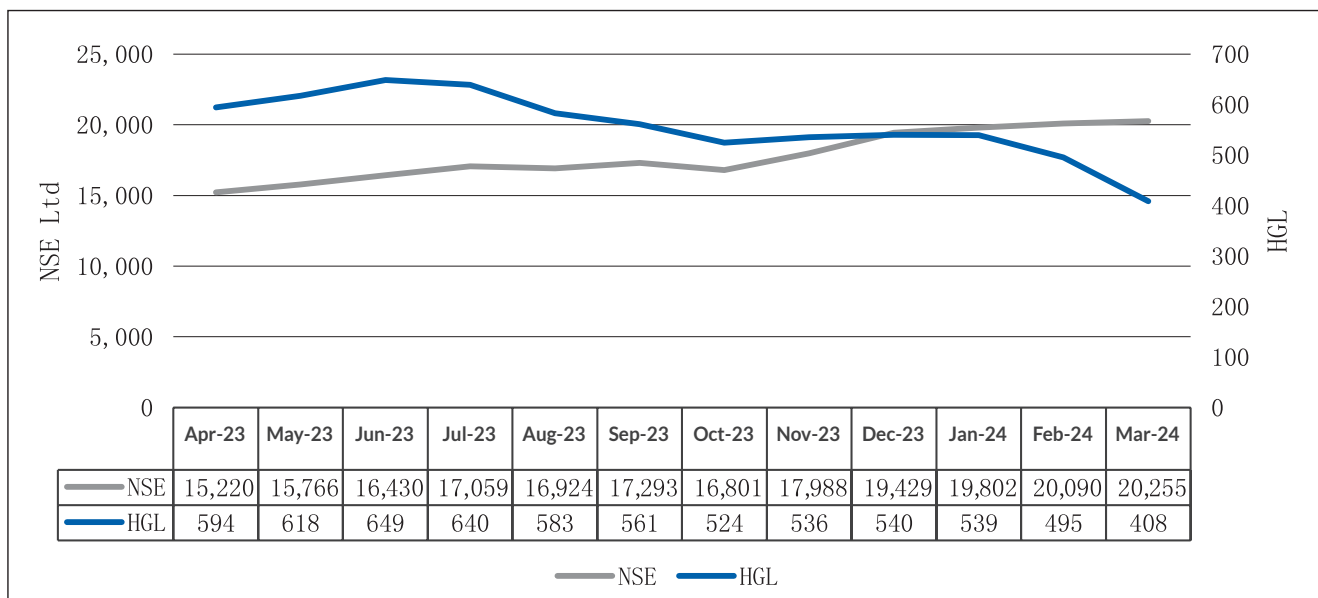
- **Company's closing share price movement during the financial year 2023-24 on BSE vis-à-vis S&P BSE Sensex**



*(Source: www.bseindia.com)

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

• Company’s closing share price movement during the financial year 2023-24 on NSE vis-à-vis Nifty500



*(Source: www.nseindia.com)

**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, 2024, 6,57,52,980 shares (96.32%) 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, 2024 is as follows:**

(A) **Distribution of Shares as per Category as on March 31, 2024.**

| Category Code | Category of Shareholders | No. of Shareholders | Total No. of Shares | % of (A+B) |
|----------------------------|---|---------------------|---------------------|---------------|
| (A) | Shareholding of Promoter and Promoter Group | 7 | 45528472 | 66.69 |
| (B) | Public Shareholding Institutions | - | - | - |
| (C) | Public Shareholding- Non- Institutions | 81746 | 22737008 | 33.31 |
| GRAND TOTAL (A+B+C) | | 81753 | 68265480 | 100.00 |

(B) **Distribution of Shares by size of holding as on March 31, 2024**

| Category of Shares | No. of shareholders | % Holders | No. of Shares | % Shares |
|--------------------|---------------------|----------------|-----------------|----------------|
| 1 to 500 | 81528 | 97.20% | 4250167 | 6.23% |
| 501 to 1000 | 1220 | 1.45% | 951859 | 1.39% |
| 1001 to 2000 | 567 | 0.68% | 829315 | 1.21% |
| 2001 to 3000 | 223 | 0.27% | 556464 | 0.82% |
| 3001 to 4000 | 77 | 0.09% | 274238 | 0.40% |
| 4001 to 5000 | 81 | 0.09% | 383273 | 0.56% |
| 5001 to 10000 | 72 | 0.09% | 512949 | 0.75% |
| 10001 and above | 106 | 0.13% | 60507215 | 88.64% |
| TOTAL | 83874 | 100.00% | 68265480 | 100.00% |

Note: As per shareholding pattern filed with the BSE/NSE Limited, number of shareholders as on March 31, 2024 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:

- (1) HLE Glascoat Limited
H-106, G I D C Estate,
Vitthal Udyognagar – 388 121
Dist. Anand, Gujarat
E-mail ID: share@hleglascoat.com

Registered Office:

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

- (2) HLE Glascoat Limited
A-6, Maroli Udhoygnagar
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 2023-2024 are as under:

The details of the shares transferred to the said Unclaimed Suspense Account during the financial year 2023-2024 are as under:

| Particulars | No. of Share-holders | No. of Shares |
|---|----------------------|---------------|
| Outstanding balance in Unclaimed Suspense Account as on April 1, 2023 | 3 | 4000 |
| Request for transfer from Unclaimed Suspense Account received and processed | - | - |
| Outstanding balance in Unclaimed Suspense Account as on March 31, 2024 | 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/-
Himanshu Patel
Managing Director
(DIN: 00202312)

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

Date: May 27, 2024
Place: Silvassa, Dadra & Nagar Haveli



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 27, 2024

Place: Silvassa

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, 2024 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, to the extent applicable, to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For HLE Glascoat Limited

Sd/-

Naveen Kandpal

Chief Financial Officer

Sd/-

Himanshu Patel

Managing Director

Date: May 27, 2024

Place: Silvassa, Dadra & Nagar Haveli

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, 2024.

For **HLE Glascoat Limited**

Sd/-

Himanshu Patel

Managing Director
(DIN: 00202312)

Date: May 27, 2024

Place: Silvassa, Dadra & Nagar Haveli



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 having CIN L26100GJ1991PLC016173 ("the Company"), have examined the compliance of the conditions of Corporate Governance by the Company, for the year ended on 31 March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

OPINION

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the year ended 31st March 2024.
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**

Place: Anand
Date : May 27, 2024
UDIN : F008064F000462861

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

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, Vitthal 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, 2024 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 Khushalbhair Patel | 00202312 | 31/12/2016 |
| 2 | Aalap Nileshbhai Patel | 06858672 | 31/12/2016 |
| 3 | Nilesh Khushalbhair 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**

Place: Anand
Date : May 27, 2024
UDIN : F008064F000462815

Dineshkumar G. Bhimani
Company Secretary
C P No.: 6628



SECRETARIAL COMPLIANCE REPORT OF HLE GLASCOAT LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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, 2024 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, 2024 ("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 | N.A. | N.A. |
| | 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. | | |
| 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: | N.A. | N.A. |
| | 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. | | |
| | 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. | | |



| Sr. No. | Particulars | Compliance Status (Yes/No/ NA) | Observations/ Remarks by PCS |
|---------|--|--------------------------------|------------------------------|
| | <p>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.</p> <p>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.</p> | | |
| 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 | <p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p> | Yes | NIL |
| 2 | <p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> 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 | <p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> 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 | <p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p> | Yes | NIL |
| 5 | <p>To examine details related to Subsidiaries of listed entities:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p> | N.A. | NIL |
| 6 | <p>Preservation of Documents:</p> <p>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.</p> | Yes | NIL |

| Sr. No. | Particulars | Compliance status (Yes/No/NA) | Observations/Remarks by PCS* |
|---------|--|-------------------------------|------------------------------|
| 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 27, 2024
UDIN : F008064F000462947

Dineshkumar G. Bhimani
Company Secretary
CP No.: 6628



ANNEXURE-VIII TO THE BOARD'S REPORT

DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2023-24

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:

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

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-----------------------|--------------------------------------|--|--|
| 1 | Mr. Sandeep Randery | Chairperson/ Independent Director | 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:

- CSR Committee Composition and CSR Policy: <https://www.hleglascoat.com/csr/>
- 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

- Average net profit of the Company as per section 135(5): Rs. 7,325.16 lakhs
- Two percent of average net profit of the Company as per section 135(5): Rs.146.50 lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years:-
- Amount required to be set off for the financial year, if any: Rs. 10.00 lakhs
- Total CSR obligation for the financial year (5b+5c-5d): Rs. 136.50 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 activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | Project Duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | Dist. | | | | | Name | CSR Registration number |
| 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 activities 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. | Donation to Yashaswati Foundation | 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 | 221.50 | No | Yashaswati Foundation | CSR00003105 |
| Total | | | | | 221.50 | | | | |

(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. 221.50 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.221.50 lakhs | N.A. | N.A. | | N.A. | |

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

| S.No. | Particular | Amount (Rs. in lakhs) |
|-------|---|-----------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 136.50 |
| (ii) | Total amount spent for the Financial Year | 221.50 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 85.00 |
| (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)] | 85.00 |

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

| S. 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
HLE Glascoat Limited

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

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

Date: May 27, 2024
Place: Silvassa, Dadra & Nagar Haveli

ANNEXURE IX TO THE BOARD'S REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,
The Members,
HLE Glascoat Limited
Vithal Udyognagar.

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HLE Glascoat Limited having CIN L26100GJ1991PLC016173 (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 31st March, 2024 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and the other records maintained by Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Review Period).
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.
- (vi) Other Applicable Acts

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



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

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

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

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) 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 27, 2024
UDIN : F008064F000462925

Dinesh kumar G. Bhimani
Company Secretary
C P No.: 6628

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms 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. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **D. G. Bhimani & Associates**

Place: Anand
Date : May 27, 2024
UDIN : F008064F000462925

Dinesh kumar G. Bhimani
Company Secretary
C P No.: 6628



Management Discussion and Analysis Report

Forming part of the Board Report

ECONOMIC OVERVIEW

The baseline forecast for the world economy is expected to remain stable by growing at 3.2% in 2024 and 3.3% in 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The global economy is expected to witness a synchronous rebound in 2025 as major election uncertainties are out of the way and central banks in the West likely announce a couple of rate cuts later in 2024. India will likely see improved capital flows boosting private investment and a rebound in exports.

The risk of elevated inflation has raised the prospects of higher for even longer interest rates, which in turn increases external, fiscal, and financial risks in the context of escalating trade tensions and increased policy uncertainty. In advanced economies, the revised forecast is for the pace of disinflation to slow in 2024 and 2025. That is because inflation in prices for services is now expected to be more persistent and commodity prices higher. However, the gradual cooling of labor markets, together with an expected decline in energy prices, should bring headline inflation back to target by the end of 2025. Prolonged dollar appreciation arising from rate disparities could disrupt capital flows and impede planned monetary policy easing, which could adversely impact growth. Persistently high interest rates could raise borrowing costs further and affect financial stability if fiscal improvements do not offset higher real rates amid lower potential growth. The potential for significant swings in economic policy as a result of elections this year, with negative spillovers to the rest of the world, has increased the uncertainty around the baseline. These potential shifts entail fiscal profligacy risks that will worsen debt dynamics, adversely affecting long term yields and ratcheting up protectionism. Trade tariffs, alongside a scaling up of industrial policies worldwide, can generate damaging cross border spillovers, as well as trigger retaliation, resulting in a costly race to the bottom. By contrast, policies that promote multilateralism

and a faster implementation of macro structural reforms could boost supply gains, productivity, and growth, with positive spillovers worldwide.

In response to the pandemic, India has responded in three components: first, by focusing on public spending on infrastructure; second, by a natural response of business enterprise and public administration amidst adversities, i.e., digitalisation of service delivery; and third, by 'Atmanirbhar Bharat Abhiyan' in terms of targeted relief to different sectors of the economy and sections of the population, and structural reforms that assisted a firm recovery and increased the medium term growth potential.

(Source: International Monetary Fund, World Economic Outlook.)

ECONOMIC OUTLOOK

The global economy is expected to grow at 3.1% in CY2024 and slightly accelerate to 3.2% in both CY2025 and CY2026 before moderating to 3.1% in both CY2027 and CY2028. However, this outlook faces headwinds in the form of higher interest rates implemented by central banks to combat inflation and reduced government spending due to accumulated debt.

India's real GDP grew by surpassing all market estimates of GDP, with 8.15% year-over-year (YoY) growth. For three consecutive years, India's economy has exceeded growth expectations (averaging 8.3% annual growth over this period) despite global uncertainties, driven by strong domestic demand and continuous government efforts toward reforms and capital expenditure.

India is projected to grow by 7.2% in FY2025, a bright spot in an otherwise subdued global economic environment. The focus on infrastructural development, expanding manufacturing and services sectors, resilient credit growth, robust private consumption, and a growing export potential will propel economic momentum during the year. This economic momentum is projected to continue, with India expected to remain the fastest-growing large economy over the next five years with India's growth expected to be supported by stable domestic demand and private investments. GDP growth is expected to thereafter normalize to 6.5% by FY 2027-28. The government's sustainability-driven growth agenda, greater manufacturing sector boost, ongoing structural reforms, and large middle-income and young population size are the notable medium-term growth drivers.

During the FY 2025-2029 period, the Indian economy is expected to grow at an average rate of 6.7%, supported by a demographic dividend, increasing urban household income levels, technological advancements, and climate change mitigation policies. With the country's robust growth outlook, India is poised to overtake Germany and Japan to become the 3rd largest economy globally before 2030.

The increase in indirect taxes in FY24 was mainly driven by a 12.7% growth in GST collection. With the commitment of the Reserve Bank of India (RBI) to the goal of price stability and policy actions by the Central Government, India successfully managed to keep retail inflation at 5.4% in FY24, the lowest level since the Covid-19 pandemic period. The inflation rate was less than 6% in 29 out of the 36 States and Union Territories. The RBI and the IMF have projected that India's consumer price inflation will progressively align towards the inflation target in FY26.

A synchronous global recovery next year will likely help improve exports while improved capital flows will drive higher investment and consumption. This may lead the Indian government to recalibrate its spending, leading to a faster decline in the fiscal deficit and an increase in private investments. In this edition of India economic outlook, the focus is on the emerging consumer spending patterns in India, highlighting the rise of the middle-income class. In the coming years, as India races to clinch the third spot in terms of GDP, the consumer market is also set to become the world's third largest by 2027. India is seeing a prominent shift in consumer behavior toward aspirational spending, which is inevitable in any nation that experiences growing economic prosperity.

(Source: India National Statistical Office, RBI, International Monetary Fund, World Economic Outlook.)

INDUSTRY OVERVIEW

Engineering Sector – Glass lining, Filtration & Drying, Heat Exchanger Equipments

The engineering sector is the largest of the industrial sectors in India, as it accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports. Engineering accounts for about 25% of India's total global exports in the goods sector and is one of the largest foreign exchange earners. In FY24, exports of engineering goods stood at US\$ 109.32 billion, reflecting a marginal growth of 2.1% of YoY growth. The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. To increase the employability of engineering graduates in the country, AICTE (All India council of technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.

The Glass Lined Equipment industry is poised for significant growth, driven by multiple factors. Glass Lined Equipment protects the contained media from exposure to water, other chemicals, alkalis, and corrosion, providing a desirable environment for storing the media. Glass Lined Equipment is resistant to contamination and capable of operating in a variety of environments. Glass lining technology is extensively used in various industries for its corrosion resistance and durability.

Glass Lined Equipment are of various types, each designed for specific applications and industries. The Glass Lined Equipment segment is divided into reactors, agitators, heat exchangers, storage tanks and accessories. Some common types of Glass Lined equipment are Reactors, Agitators, Storage Tanks, Columns, Pumps, Dryers and Filters, and Pipes, Valves and Fittings. Each type of equipment has its own unique features and advantages, making them suitable for different applications. The Glass Lined Equipment market in the pharmaceutical sector was valued at US\$700.0 Mn in 2023 and is expected to reach US\$1,000.0 Mn by 2027. Glass Lined Equipment is a vital component of the chemical industry's manufacturing line, hence expansion in the sector will fuel growth in Glass Lined Equipment. The Glass Lined Equipment market for the chemical industry is now valued at INR 4.9 Bn in FY2024 and is expected to rise to INR 7.8 Bn by FY2028.

Filtration and drying market is driven by strict quality standards, efficient manufacturing techniques, and the emphasis on product purity. ANFD filtration is a very popular type of filtration and drying technique and is very popular among the end user segments. It shares about 50% market share of filtration and drying equipment globally. Geographically, the demand for filtration and drying equipment is surging in the U.S. due to factors such as stringent quality requirements for pharmaceutical products, the need for more efficient manufacturing processes, and the emphasis on maintaining product purity. The Filters & Dryers Market is



expected to increase from US\$ 1.4 Bn in 2023 to US\$ 2.12 Bn by 2028, with a CAGR of 8.7% over the forecast period (2024-2028). The market is expected to grow at a 119% CAGR and generate INR 15.8 Bn in sales during the forecast period (2024-2028). India is a major producer of F&D globally. It is also one of the market's largest users as the pharmaceutical and chemical industries grow. The Indian chemical industry is made up of many small and medium-sized businesses as a result of increased local demand and high chemical realizations due to high costs. The industry contributes to the production of consumer goods, building materials, fuels, cosmetics, and so on. F&D equipment are critical to this industry and are expected to expand alongside the burgeoning chemical industry.

The Heat Exchangers industry is poised for significant growth, driven by multiple factors such as Rapid industrialisation and growth of manufacturing activity, Growth of end-user industries viz chemicals, pharmaceuticals, oil & gas, power etc. and Energy efficiency. The key growth drivers for Heat Exchangers industry are Need for More Renewable Sources of Energy is on the Rise, Investments in the Power Generation Industry are Increasing and Demand from the chemical industry. The heat exchanger market is segmented based on the end-use industry, including Chemical and Petrochemical, Oil and Gas, HVAC and Refrigeration, Power Generation, Food and Beverage, Pulp and Paper, Other End-Users. The heat exchanger market is also segmented based on the material of construction, including Stainless Steel, Copper, Aluminum, and other materials used in heat exchangers, such as titanium alloys, nickel alloys, and other specialized materials. The global heat exchanger market has reached maturity, with Asia-Pacific (APAC) accounting for most of its growth. The emerging markets, where growth is high, are populated by significant market participants. Energy conservation, ease of maintenance, corrosion reduction, and improved heat transfer are essential end-user requirements. Original Equipment Manufacturers (OEMs) who have previously gained a competitive edge by developing unique goods and want to maintain this level of exclusivity are attempting to develop novel heat exchangers. The market is expected to grow at a CAGR of 5.8% to US\$16.8 Bn over the forecast period. Increasing energy demand, an emphasis on energy conservation, more stringent industry regulations, and strong growth in the power generation and chemical production industries contribute to a positive outlook for the heat exchanger market during the next few years. The India heat exchanger market was estimated to be worth INR 54.0 Bn in FY2024. The market is expected to grow at a CAGR of 9.0% and generate INR 83.0 Bn in revenue during the forecast period.

(Source: Engineering Industry in India, Engineering Goods Manufacturers – IBEF, Frost & Sullivan Analysis)

Pharmaceutical Sector

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The

Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has highest number of pharmaceutical manufacturing facilities that comply with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

India's domestic healthcare market is growing rapidly and is projected to grow at a CAGR of 8% to 10% from FY2022-23 to FY2025-26. In addition to improving private insurance coverage and a greater willingness to spend on healthcare, government policies provide catalytic stimuli. These policies include the Ayushman Bharat Program, the Ayushman Bharat Health Infrastructure Mission, and the Pradhan Mantri Bhartiya Janaushadhi Pariyojana. Challenges facing India's API and KSM (Key Starting Materials) / Drug Intermediates sector include high dependence on China for raw materials, inadequate infrastructure in select areas such as fermentation, and delays in land acquisition and environmental clearance. However, several factors, such as regulatory policies, provide stimulus to the API segment in India. The pharmaceutical sector in India is expanding rapidly. Many MNCs are willing to invest in India due to the availability of highly skilled workforce, high returns on investment, cost-effective production, niche specialty domains, and the presence of quality infrastructure. This has made India an excellent site for manufacturing. The Glass Lined Equipment market in the pharmaceutical sector is now valued at INR 3.7 Bn in FY2024 and is expected to increase to INR 6.0 Bn by FY2028. The pharmaceutical sector in India is seeing major inflows from international investors due to its ability to drive the global pharmaceuticals market

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical

industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP. According to a recent EY FICCI report, there has been a growing consensus over providing new innovative therapies to patients. Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030.

(Source: Pharmaceutical Companies in India, Indian Pharma Industry- IBEF, Frost & Sullivan Analysis)

Chemical Industry

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

As per IBEF, the sector is expected to grow to INR 82,000 Bn by 2040. Indian chemical industry contributes approximately 6.6% of the country's GDP and accounts for 15-17% of value of the India's manufacturing sector.

In particular, the Government announced a PLI scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The Government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical APIs. The Government is also in the process of launching a PLI scheme for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country. The demand for chemicals manufactured in India in the worldwide market is likely to grow in the coming years, as key markets move their demand away from China to avoid potential disruptions. This will incentivize industry players to increase their capacity to meet future demand. As a result, it is predicted that the players' capex will increase by 7% to 9% CAGR until FY2025-26, to reach INR 70 Bn per year in FY2025-26.

India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers, contributing more than 50% of the global vaccine supply. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040. An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with

India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025.

The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). The Department of Chemicals & Petrochemicals intends to bring PLI in the chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines. The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%. India's per capita chemical consumption is about 1/10th of the World average, indicating the growth potential of the industry. In the subsequent years, India is anticipated to emerge as a consumer-driven economy and as a hub for the manufacturing of value-added goods. The business is anticipated to gain from the improved investment climate, projects being approved more quickly, and the proposed reform initiatives, all of which would increase industrial activity and, consequently, the need for chemicals.

The chemical segment dominates the market for F&D equipment, followed by pharmaceuticals. Both sectors together account for 74.3% of the entire market share. With increased penetration of these equipment in other sectors, the F&D market is expected to develop, with sectors such as water and wastewater treatment and food and beverage growing their market share in the future years. The pharmaceutical industry is also likely to incorporate more of this equipment into its production lines. The chemical industry market for filtration and drying is expected to rise to US\$700 Mn by 2026, owing to increased usage of F&D equipment.

(Source: Chemical Industry, Chemicals Manufacturers and Exporters in India - IBEF, Frost & Sullivan Analysis)

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 manufacturer of Filtration and Drying Equipment and Glass Lined Equipment.

The Company is engaged in two main product segment, namely manufacturing of specialized Filtration and Drying equipment and other process 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 and Thaletec Inc. acquisition, the Company is further strengthening its position in the international markets.

A. Financial performance vis-à-vis Operational performance

Financial Highlights

(Rs. in Lakhs)

| Particulars | Consolidated | | Standalone | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY 2023-24 [#] | FY 2022-23 [*] | FY 2023-24 [#] | FY 2022-23 [*] |
| Total Income | 97,673.64 | 94,005.03 | 60,585.19 | 66,139.49 |
| Profit Before Finance costs, Tax, Depreciation and Amortization (after adjusting Other Comprehensive Income) | 12,126.10 | 15,525.37 | 7,695.58 | 10,633.93 |
| Profit Before Tax (after adjusting Other Comprehensive Income) | 5,906.10 | 10,950.88 | 3,103.52 | 7,222.04 |
| Profit After Tax (after adjusting Other Comprehensive Income) | 4,127.25 | 7,998.72 | 2,631.41 | 5,443.04 |
| Total Assets | 1,20,195.69 | 89,447.50 | 85,319.33 | 77,749.82 |
| Equity Share Capital | 1,365.31 | 1,365.31 | 1,365.31 | 1,365.31 |
| Other Equity | 40,314.83 | 31,304.32 | 33,407.68 | 31,527.19 |
| Non-controlling interest | 7,990.21 | 13.26 | - | - |
| Total Equity | 49,670.35 | 32,682.89 | 34,772.99 | 32,892.50 |
| Bank Borrowings | 34,488.97 | 23,296.31 | 33,160.93 | 22,680.45 |
| Debt: Equity Ratio (including long term and short term borrowings) | 0.73 | 0.76 | 0.98 | 0.73 |
| Book Value per Equity Share of Rs. 2 each – In Rs. | 72.76 | 47.88 | 50.94 | 48.18 |
| Earnings per Equity Share - Basic and Diluted – In Rs. | | | | |
| Earnings per Share - From Continuing operations | 6.52 | 10.37 | 4.43 | 8.12 |
| Earnings per Share - From Discontinuing operations | (0.53) | (0.15) | (0.53) | (0.15) |
| Dividend Per Share – In Rs. (FY 2023-24 – proposed) | 1.10 | 1.10 | 1.10 | 1.10 |

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

[#] The financial information includes the performance of 1) Thaletec GmbH and its wholly owned subsidiary Thaletec Inc., USA, 2) Kinam Group of companies, viz. Kinam Engineering Industries (a partnership firm), succeeded to Kinam Engineering Industries Private Limited (KEIPL) w.e.f. 01/01/2024 - Subsidiary, Kinam Enterprise Private Limited (KEPL) – Subsidiary and Kinam Process Equipments Private Limited (KPEPL)- step-down subsidiary (subsidiary of KEPL) and 3) Thaletec (formerly known as H L Equipments), Partnership Firm, Subsidiary.

The Company's standalone revenue from operations for the year 2023-24 was Rs. 59,070.85 lakhs compared to Rs. 64,944.35 lakhs during 2022-23. Similarly, the Company's consolidated revenue from operations for the year 2023-24 was Rs. 96,792.02 lakhs compared to Rs. 93,202.3 lakhs during 2022-23.

➤ **Consolidated Segment-wise Performance**

The Company has three segments of operations (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment and (iii) Heat Transfer Equipment

| (Rs. in Lakhs) | | |
|---|------------|-------------|
| Particulars | FY 2023-24 | FY 2022-23* |
| Revenue | | |
| a) Filtration, Drying and Other Equipment | 37,366.66 | 34,418.83 |
| b) Glass Lined Equipment | 49,675.65 | 57,907.86 |
| c) Heat Transfer Equipment [#] | 8,869.59 | - |
| d) Others | 880.12 | 875.61 |
| EBIT | | |
| a) Filtration, Drying and Other Equipment | 5,135.21 | 4,442.90 |
| b) Glass Lined Equipment | 2,900.08 | 8,063.98 |
| c) Heat transfer equipment [#] | 2,160.27 | - |

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

The Company completed the acquisition of 35.56% ownership interest in Kinam Engineering Industries on 26th September, 2023 and the financial information includes the performance of Kinam Engineering Industries/ Kinam Engineering Industries Private Limited 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 2023-24 | FY 2022-23 | Detailed explanation for change of 25% or more, if any |
|---|------------|------------|---|
| Debtors Turnover (times) | 3.88 | 5.11 | Mainly due to delay in payment by some customers and also higher sales in the last month (March 2024) |
| Inventory Turnover (times) | 3.04 | 3.45 | |
| Interest Coverage Ratio (times) | 2.18 | 4.35 | Due to higher utilization of working capital borrowings and new term loan availed to part finance the Kinam Engineering Industries acquisition |
| Current Ratio | 1.10 | 1.25 | |
| Debt Equity Ratio (considering long term and short term debt) | 0.98 | 0.73 | On account of fresh borrowings during the year, new term loan availed to part finance the Kinam Engineering Industries acquisition and to meet the higher working capital requirements. |
| Operating Profit Margin (%) | 9.82% | 14.44% | On account of lower sales of Glass Lined Equipment (largely India market), higher raw material costs, relatively higher interest (due to reasons indicated above) and depreciation (as a result of capitalization of the Capital Work in Progress). |
| Net Profit Margin (%) | 4.51% | 8.38% | On account of lower sales of Glass Lined Equipment (largely India market), higher raw material costs, relatively higher interest (due to reasons indicated above) and depreciation (as a result of capitalization of the Capital Work in Progress). |



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

| Return on Net Worth | FY 2023-24 | FY 2022-23 | Detailed explanation for change of 25% or more, if any |
|---|------------|------------|--|
| Return on Net Worth (PAT/ Net Worth) - Standalone | 7.87% | 17.84% | Mainly due to lower PAT as a result of lower sales of Glass Lined Equipment (largely India market), higher raw material costs, relatively higher interest (due to reasons indicated above) and depreciation (as a result of capitalization of the Capital Work in Progress). |

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.

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.

The threats to your Company is traditionally associated with the cyclical industry trend, rising inflation, increasing material costs due to the global geopolitical scenario, non-availability of adequate skilled manpower, continuous increase in electricity/ fuel costs, cost of wages and salaries and increase in financing costs. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation is plausible. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

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 2023-24 was marked by several other risks requiring plenty of preparation and proactive and reactive threat management. Also geopolitical instability caused by ongoing war between Russia and Ukraine and Israel and Palestine. This has led to supply chain issue as a result of crisis in red-sea.

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 imbuing 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, 2024 stands at 590.

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)

Date: May 27, 2024
Place : Silvassa, Dadra & Nagar Haveli



Independent Auditor's Report

To the Members of HLE Glascoat Limited

Report on the Audit of the Standalone Financial Statements

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 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and a summary of material 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 2024, 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. Emphasis of Matter

We draw attention to Note 3 to the Standalone Financial Statements which describe the following matter:

The Company has during the year completed the acquisition of 35.56% profit share with the controlling interest in Kinam Engineering Industries (a "Partnership Firm") for a purchase consideration of ₹ 7,996.66 lakhs. Further the Company has entered into a business succession agreement on 10th January 2024 effective from 1st January 2024 for succession of the business of partnership firm into Kinam Engineering Industries Private Limited.

Our opinion is not modified in respect of this matter.

4. 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S No | Key Audit Matter | How the matter was addressed in our audit |
|------|---|---|
| 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. | Our audit procedures included: <ul style="list-style-type: none"> 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. |

| S No | Key Audit Matter | How the matter was addressed in our audit |
|------|--|---|
| | | <ul style="list-style-type: none"> 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. |
| 2 | Property, Plant & Equipment (Including Capex) <ul style="list-style-type: none"> 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 procedures included: <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> 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 Ind AS 16. We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, Plant & Equipment. 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. We have relied on physical verification conducted by management and management representations. |
| 3 | Impairment of PPE on discontinued operation of Chemical business <ul style="list-style-type: none"> An asset is impaired when its carrying amount exceeds its recoverable amount. Ind AS has described some indications that an impairment loss may have occurred. If any of those indications are present, the management is required to make a formal estimate of the recoverable amount. | Our audit procedures included: <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> We have reviewed management's judgement pertaining to impairment of assets on discontinued operations of Chemical business. We have carried out substantive audit procedures at financial and assertion level to verify the amount of assets impaired during the period. |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. 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 specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 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 standalone 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 with reference to standalone financial statements.
- 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 30(m) 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 loaned 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;
 - (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.

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.

- v. Based on our examination which included test checks, the company has used accounting software viz. SAP, EMS (customized ERP) and Tally ERP9 at Anand, Maroli and Silvassa location respectively for maintaining its books of

account which has a inbuilt feature of recording audit trail (edit log) facility and the same has operated throughout the year except at Silvassa unit where it is operated from 17th July, 2023 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

N Kashinath
Partner
Mem. No. 036490
UDIN: 24036490BKGTSB1488

Place: Silvassa, Dadra & Nagar Haveli
Date: May 27, 2024

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 where 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 2024 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- (ii) (a) The inventory, except for goods in transit and 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 and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2024 and there are no material discrepancies.
- (iii) The Company has made investments in Subsidiaries. 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) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

(a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, duty of customs, 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, 2024 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 2024 on account of any dispute, are as follows:

| Statute | Financial year to which the matter pertains | Forum where dispute is pending | ₹ 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 share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are 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 30(g) 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 is 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.

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

N Kashinath
 Partner
 Mem. No. 036490
 UDIN: 24036490BKGTSB1488

Place: Silvassa, Dadra & Nagar Haveli
 Date: May 27, 2024



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 STANDALONE 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 Standalone Financial Statements of HLE GLASCOAT LIMITED (“the Company”) as of March 31, 2024 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 with reference to Standalone Financial Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India (ICAI).

2. MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements 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 (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 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 Standalone 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 with reference to Standalone Financial Statements. 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 Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Standalone Financial Statements.

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

A Company’s internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

N Kashinath
Partner
Mem. No. 036490
UDIN: 24036490BKGTSB1488

Place: Silvassa, Dadra & Nagar Haveli
Date: May 27, 2024



Standalone Balance Sheet

As at 31st March 2024

| Particulars | Note No. | ₹ in Lakhs | |
|--|----------|--------------------------------------|--------------------------------------|
| | | As at 31 st March 2024 | As at 31 st March 2023 |
| I) ASSETS | | | |
| 1) Non-Current Assets | | | |
| a) Property, plant and equipment | 2 (a) | 22,184.25 | 21,556.73 |
| b) Right of use assets | 2 (b) | 704.21 | 768.69 |
| c) Capital work-in-progress | 2 (c) | 1,586.24 | 192.10 |
| d) Investment property | 2 (d) | 132.31 | 137.17 |
| e) Other intangible assets | 2 (e) | 212.90 | 286.36 |
| f) Financial assets | | | |
| (i) Investments | 3 | 22,809.97 | 14,596.82 |
| (ii) Others financial assets | 4 | 139.95 | 124.76 |
| g) Non-current tax assets (net) | | 1,196.81 | 991.67 |
| h) Other non-current assets | 5 | 204.67 | 78.35 |
| 2) Current Assets | | | |
| a) Inventories | 6 | 20,626.87 | 18,245.19 |
| b) Financial assets | | | |
| (i) Trade receivables | 7 | 13,238.21 | 17,181.82 |
| (ii) Cash and cash equivalents | 8 | 347.04 | 3.99 |
| (iii) Bank balances other than cash and cash equivalents | 9 | 658.97 | 1,048.57 |
| (iv) Loans | 10 | 23.91 | 23.58 |
| (v) Others financial assets | 4 | 246.01 | 919.05 |
| c) Other current assets | 5 | 1,007.01 | 1,594.97 |
| TOTAL ASSETS | | 85,319.33 | 77,749.82 |
| II) EQUITY AND LIABILITIES | | | |
| 1) Equity | | | |
| a) Equity share capital | 11 | 1,365.31 | 1,365.31 |
| b) Other equity | 12 | 33,407.68 | 31,527.19 |
| Total Equity | | 34,772.99 | 32,892.50 |
| 2) LIABILITIES | | | |
| i) Non-Current Liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 13 | 14,670.75 | 9,837.24 |
| (ii) Lease liabilities | | 201.93 | 265.10 |
| (iii) Other financial liabilities | 14 | 1,491.68 | 2,048.74 |
| b) Provisions | 15 | 123.15 | 62.61 |
| c) Deferred tax liabilities (net) | 16 | 1,061.88 | 1,372.19 |
| ii) Current Liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 13 | 19,245.30 | 14,256.14 |
| (ii) Lease liabilities | | 63.18 | 55.33 |
| (iii) Trade payables | 17 | | |
| Outstanding dues of micro enterprises and small enterprises | | 619.50 | 126.04 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | | 7,243.43 | 9,211.74 |
| (iv) Other financial liabilities | 14 | 1,462.46 | 1,429.91 |
| b) Other current liabilities | 18 | 4,006.35 | 5,896.22 |
| c) Provisions | 15 | 356.73 | 296.06 |
| Total Liabilities | | 50,546.34 | 44,857.32 |
| TOTAL EQUITY AND LIABILITIES | | 85,319.33 | 77,749.82 |

Material accounting policies

Accompanying notes are an integral part of these financial statements

1

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Standalone Statement of Profit and Loss

For the Year Ended 31st March 2024

| Particulars | Note No. | ₹ in Lakhs | |
|--|----------|--|--|
| | | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| I) INCOME | | | |
| a) Revenue from operations | 19 | 59,070.85 | 64,944.35 |
| b) Other income | 20 | 1,514.34 | 1,195.14 |
| TOTAL INCOME (a+b) | | 60,585.19 | 66,139.49 |
| II) EXPENSES | | | |
| a) Cost of materials consumed | 21 | 34,078.32 | 35,048.03 |
| b) Changes in inventories of finished goods and work-in-progress | 22 | (2,153.21) | 391.17 |
| c) Employee benefits expense | 23 | 5,507.59 | 4,905.71 |
| d) Finance costs | 24 | 2,663.73 | 2,154.59 |
| e) Depreciation and amortisation expense | 25 | 1,397.36 | 1,257.30 |
| f) Other expenses | 26 | 15,424.48 | 15,161.41 |
| TOTAL EXPENSES (a to f) | | 56,918.27 | 58,918.21 |
| III) PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEM | | 3,666.92 | 7,221.28 |
| IV) Exceptional items (Refer note 30 e) | | 530.97 | - |
| V) PROFIT BEFORE TAX (III-VI) | | 3,135.95 | 7,221.28 |
| VI) TAX EXPENSE | | | |
| a) Current tax | | 782.42 | 1,564.73 |
| b) Deferred tax | | (310.31) | 214.27 |
| TOTAL TAX EXPENSE (a+b) | | 472.11 | 1,779.00 |
| VII) PROFIT FOR THE YEAR (V-VI) | | 2,663.84 | 5,442.28 |
| VIII) Profit before tax for the period from continuing operations | | 3,497.83 | 7,321.83 |
| IX) Tax expense of continuing operations | | 472.11 | 1,779.00 |
| X) Profit for the period from continuing operations (VIII-IX) | | 3,025.72 | 5,542.83 |
| XI) Loss before tax for the period from discontinued operations | | (361.88) | (100.55) |
| XII) Tax expense of discontinued operations | | - | - |
| XIII) Loss for the period from discontinued operations (XI+XII) | | (361.88) | (100.55) |
| XIV) PROFIT FOR THE YEAR (X+XIII) | | 2,663.84 | 5,442.28 |
| XV) OTHER COMPREHENSIVE INCOME / (LOSS) | | | |
| Items that will not be reclassified to the Statement of Profit and Loss | | | |
| (a) Remeasurements of defined benefit plans | | (43.34) | 1.02 |
| (b) Income tax relating to items that will not be reclassified to the Statement of Profit and Loss | | 10.91 | (0.26) |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (a+b) | | (32.43) | 0.76 |
| XVI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XIV+XV) | | 2,631.41 | 5,443.04 |
| XVII) EARNINGS PER EQUITY SHARE | 30(a) | | |
| a. From continuing operations | | | |
| Basic | | 4.43 | 8.12 |
| Diluted | | 4.43 | 8.12 |
| b. From discontinued operations | | | |
| Basic | | (0.53) | (0.15) |
| Diluted | | (0.53) | (0.15) |

Material 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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038

Standalone Statement of Changes in Equity

For the Year Ended 31st March 2024

Equity share capital (refer Note 11)

| Particulars | ₹ in Lakhs | |
|---|-------------|----------|
| | Number | Amount |
| Balance at the end of the reporting year ending 31 st March 2022 | 1,36,53,096 | 1,365.31 |
| Add: Increase in number of share on account of stock split | 5,46,12,384 | - |
| Restated balance at the beginning of the period | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting year ending 31 st March 2023 | 6,82,65,480 | 1,365.31 |
| Restated balance at the beginning of the period | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting period ending 31 st March 2024 | 6,82,65,480 | 1,365.31 |

Other equity (refer Note 12)

| Particulars | Reserves and Surplus | | | | | | Equity component of compound financial interest | Preference share capital | 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 31 st 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 |
| Transfer to capital redemption reserve | - | - | - | (37.50) | - | 37.50 | - | - | - |
| Other adjustment | - | - | - | - | - | - | 37.50 | (37.50) | - |
| Profit for the current reporting year ending 31 st 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 (₹ 5/- per share [pre-split]) | | | | (682.65) | | | | | (682.65) |
| Transfer to general reserve | | 2,000.00 | | (2,000.00) | | | | | |



Standalone Statement of Changes in Equity

For the Year Ended 31st March 2024

₹ in Lakhs

| Particulars | Reserves and Surplus | | | | Equity component of compound financial interest | Preference share capital | 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 31 st 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 |
| Transfer to capital redemption reserve | - | - | - | (37.50) | - | 37.50 | - | - | - |
| Other adjustment | - | - | - | - | - | - | 37.50 | (37.50) | - |
| Profit for the current reporting year ending 31 st March 2024 | - | - | - | 2,663.84 | - | - | - | - | 2,663.84 |
| Other comprehensive income (Net of tax) | - | - | - | - | (32.43) | - | - | - | (32.43) |
| Total comprehensive income for the reporting year | - | - | - | 2,626.34 | (32.43) | 37.50 | 37.50 | (37.50) | 2,631.41 |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Dividends | | | | | | | | | |
| - Final dividend (₹ 1.10/- per share) | - | - | - | (750.92) | - | - | - | - | (750.92) |
| Transfer to general reserve | - | 1,000.00 | - | (1,000.00) | - | - | - | - | - |
| Balance at the end of the reporting year ending 31st March 2024 | 9,892.75 | 8,540.05 | 1.52 | 13,547.29 | (7.98) | 150.00 | 1,246.53 | 37.52 | 33,407.68 |

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACA 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038



Standalone Statement of Cash Flow

For the Year Ended 31st March 2024

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 | | |
|--|--|--|-------------------|------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| NET PROFIT BEFORE TAX | 3,135.95 | | 7,221.28 | |
| Adjustment for : | | | | |
| Depreciation | 1,397.36 | | 1,257.30 | |
| Finance cost | 2,663.73 | | 2,154.59 | |
| Foreign currency unrealised loss/(gain) (Net) | 545.01 | | (168.46) | |
| Share of loss/(profit) in subsidiary | (191.78) | | 71.40 | |
| Expected credit loss provision | 60.00 | | 25.01 | |
| Provision for doubtful advances | - | | 11.02 | |
| Interest income | (71.39) | | (41.99) | |
| Dividend income | (809.10) | | (663.08) | |
| Deferred income | (12.09) | | - | |
| Bad debts written off | 0.94 | | 0.03 | |
| Remeasurements of defined benefit plans | (43.34) | | 1.02 | |
| Net gain on sale of investments | (26.83) | | - | |
| Sundry balance/provision written back | (124.95) | | (8.14) | |
| (Gain)/loss on sale & disposal of fixed assets | 239.50 | 3,627.06 | (41.32) | 2,597.38 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 6,763.01 | | 9,818.66 | |
| Trade receivables | 3,882.54 | | (8,980.19) | |
| Other current assets | 587.96 | | 396.77 | |
| Other financial assets | 121.10 | | (240.16) | |
| Loans and advances | (0.33) | | (6.44) | |
| Inventories | (2,381.67) | | 1,174.62 | |
| Trade payable | (1,476.46) | | (1,049.52) | |
| Provisions | 121.21 | | 82.75 | |
| Other financial liabilities | (45.01) | | 219.39 | |
| Other liabilities | (1,764.92) | (955.58) | 1,738.03 | (6,664.75) |
| CASH GENERATED FROM OPERATIONS | 5,807.43 | | 3,153.91 | |
| Direct taxes paid | (976.66) | | (1,893.83) | |
| NET CASH FROM OPERATING ACTIVITIES | 4,830.77 | | 1,260.08 | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of PPE including capital work in progress and capital advance | (4,119.41) | | (3,863.60) | |
| Proceeds from sale of property, plant and equipment | 1.40 | | 118.44 | |
| Investment in subsidiaries | (8,213.15) | | 1,093.89 | |
| Share of /profit/(loss) in subsidiary | 191.78 | | (71.40) | |
| Increase in fixed deposits with banks | 392.11 | | 112.13 | |
| Sales of investments (Net) | 26.83 | | - | |
| Interest income | 70.90 | | 36.05 | |
| Dividend income | 809.10 | | 663.08 | |
| NET CASH USED IN INVESTING ACTIVITIES | (10,840.44) | | (1,911.41) | |

Standalone Statement of Cash Flow

For the Year Ended 31st March 2024

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|---|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from working capital facilities (Net) | 4,701.61 | 5,629.35 |
| Proceeds from long-term borrowings | 9,303.87 | 514.26 |
| Repayment of inter-corporate loan (Net) | - | (150.00) |
| Repayments of term loans | (4,448.04) | (2,211.56) |
| Redemption of preference share | (747.74) | (747.74) |
| Interest paid | (1,706.06) | (1,709.25) |
| Dividend paid | (750.92) | (682.65) |
| NET CASH FROM FINANCING ACTIVITIES | 6,352.72 | 642.41 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 343.05 | (8.92) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | 3.99 | 12.91 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 347.04 | 3.99 |

Footnotes to Cash Flow Statement:

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

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|--|--|
| Opening balance | | |
| Long term borrowing | 9,795.74 | 12,936.90 |
| Current borrowing | 9,772.72 | 4,786.02 |
| Current maturities of long term borrowing | 4,483.42 | 2,390.63 |
| Interest accrued on term loan | 41.50 | 45.33 |
| Total (A) | 24,093.38 | 20,158.88 |
| (a) Cash flow movements | | |
| Cash (outflow)/inflow in/from non-current borrowings | 4,788.49 | (3,091.77) |
| Cash inflow from current borrowings | 4,989.16 | 7,079.49 |
| (b) Non-cash flow movements | | |
| Effect of amortization of loan origination costs | (29.19) | (49.39) |
| Interest accrued during the year | 74.21 | (3.83) |
| Total (B) | 9,822.67 | 3,934.50 |
| Closing balance (A+B) | 33,916.05 | 24,093.38 |
| Closing Balance break up | | |
| Long term borrowing | 14,555.04 | 9,795.74 |
| Current borrowing | 15,233.64 | 9,772.72 |
| Current maturities of long term borrowing | 4,011.66 | 4,483.42 |
| Interest accrued on term loan | 115.71 | 41.50 |

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038



Notes to the Standalone Financial Statements

As at 31st March 2024

Note 1 – Material 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 principle 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 a historical cost basis considering the applicable provisions of the 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 the 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 29A) and
- b) Any other item as specifically stated in the accounting policy.

The Financial Statement is presented in 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 2024 were approved for issue in accordance with a resolution of the directors on 27th May 2024.

iii. Major Sources of Estimation Uncertainty

In the application of accounting policy which is described in note (C) below, the management is required to make judgments, 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 an 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 the 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 are as specified in Schedule II to the Companies Act, 2013

Notes to the Standalone Financial Statements

As at 31st March 2024

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 a 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 the 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 includes 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 30F)**

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company



Notes to the Standalone Financial Statements

As at 31st March 2024

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 Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

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.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised.

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 Profit or Loss aggregated with other income or other expense line item on net basis, respectively.

The depreciable amount of an asset is determined after deducting its residual value. 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. Given below are the estimated useful lives for each class of property, plant and equipment:

| Description of the Asset | Estimated Useful life |
|--|---|
| Tangible (Owned Assets): | |
| Building -Factory (Includes Investment Property) | 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 - Leasehold | Primary period of lease (10 and 99 Years) |
| -Building | Primary period of lease (5 Years) |
| Intangible: | |
| Software | 3-5 Years |
| Technical Know How | 10 Years |

Notes to the Standalone Financial Statements

As at 31st March 2024

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.

Any gain or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively

Intangible Assets are amortized over 3 to 10 years on straight-line method over the estimated useful economic life of the assets.

3) 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 Factory Building is provided over the estimated useful lives as specified in note 1 above.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

4) Inventories:

Inventories consisting of stores and spares, raw materials, work in progress, and finished goods are measured 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.

Cost of raw material, components and stores and spares is determined on a first in first out basis for Glass Lined Equipment division and a weighted average method for Filtration, drying and other equipment.

5) Leases:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and building. The Company assesses whether a contract contains a lease, at inception of a contract.

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.

The lease term includes extension or termination options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, and 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

The lease liability is initially measured 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 of whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor are 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.

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

6) Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company



Notes to the Standalone Financial Statements

As at 31st March 2024

will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Where the grant relates to an asset under the EPCG Scheme, it is presented as a deferred income aggregated under other liabilities in the Balance Sheet and presented under other income in profit and loss on a systematic and rational basis associated with fulfillment of export obligation.

7) 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 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.

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.

8) 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.

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

10) 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 related spares and accessories and (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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of delayed delivery of goods /product discounts and schemes offered by the company as part of the contract with the customers. 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.

Notes to the Standalone Financial Statements

As at 31st March 2024

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/ product 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.
- 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 product discounts and schemes offered by the company as part of the contract with the customers. The Company recognizes changes in the estimated amounts of obligations for discounts in the period in which the change occurs.

11) 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 profit or loss section of the Statement of Profit or Loss in the period in which they arise except those included in cost of assets as permitted. The benefit is measured annually by independent actuary.

c) Post-Employment Benefits:

The Company provides the following post-employment benefits:

- Defined benefit plan i.e., gratuity
- 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.

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 Statement of Profit and Loss in subsequent periods.

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.

12) Taxes on Income:

Income tax expense represents the sum of income tax currently payable and deferred tax. Tax is recognized in the profit or loss section of 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 is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to



Notes to the Standalone Financial Statements

As at 31st March 2024

taxes in respect of previous years. 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 recognized for all taxable temporary differences. Deferred tax assets are 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.

13) 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.

14) Financial Instruments:

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 favorable to the Company.

Investments in subsidiaries

Investments in subsidiaries are carried at cost.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans/advances to employee/ others, security deposit, etc.

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets measured at amortized cost

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

Financial assets at fair value through OCI (FVTOCI)

Financial assets are mandatorily 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

Notes to the Standalone Financial Statements

As at 31st March 2024

instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). 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.

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.

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. 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.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in profit or loss.

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings, 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.

Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost at the end of subsequent accounting periods. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss.

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 of profit or loss.



Notes to the Standalone Financial Statements

As at 31st March 2024

15) 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 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.

16) Recent Accounting Pronouncements :

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

As at 31st March 2024

Note 2 (a) : Property, plant and equipment

| Particulars | ₹ in Lakhs | | | | | | | | | | |
|---|---------------|-----------|---------------------|----------|---------------------|-------------------------------------|------------------------|----------|------------------|-----------|-----------|
| | Freehold Land | Buildings | Plant and equipment | Windmill | Tools and Equipment | Electric Installation and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
| Gross Block | | | | | | | | | | | |
| 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 |
| Additions | 476.20 | 370.81 | 895.04 | - | - | 247.89 | 14.56 | 55.29 | 9.80 | 44.52 | 2,114.11 |
| Disposals | - | - | (56.14) | - | - | - | - | - | - | (0.77) | (56.91) |
| Carrying value as at 31 March 2024 | 5,773.30 | 8,333.83 | 9,442.74 | 536.91 | 716.42 | 927.14 | 343.22 | 650.20 | 272.52 | 356.50 | 27,352.78 |
| Depreciation Block | | | | | | | | | | | |
| 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 |
| Depreciation / Amortisation for the year | - | 265.39 | 590.96 | 14.26 | 43.96 | 147.38 | 27.36 | 60.58 | 32.83 | 62.99 | 1,245.71 |
| Impairment | - | - | 195.20 | - | - | 9.09 | 0.08 | - | 0.22 | 0.06 | 204.65 |
| Disposals | - | - | (19.95) | - | - | - | - | - | - | (0.73) | (20.68) |
| Accumulated depreciation / Amortisation as at 31 March 2024 | - | 1,018.83 | 2,300.08 | 317.64 | 281.55 | 394.17 | 145.17 | 305.01 | 183.43 | 222.65 | 5,168.53 |
| Net Block | | | | | | | | | | | |
| 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 |
| As at 31 March 2024 | 5,773.30 | 7,315.00 | 7,142.66 | 219.27 | 434.87 | 532.97 | 198.05 | 345.19 | 89.09 | 133.85 | 22,184.25 |

Footnotes:

- (i) The title deeds of freehold land are held in the name of the Company. Title deeds in respect of buildings on immovable property which are constructed on Company's freehold/leasehold land is based on documents constituting evidence of legal ownership.
- (ii) Impairment is related to the discontinued operations of the Chemical business [Refer Note no. 30 (n)]



Notes to the Standalone Financial Statements

As at 31st March 2024

Note 2 (b) : Right of use asset

| Particulars | ₹ in Lakhs |
|--|---------------|
| | Land |
| Gross Block | |
| Carrying value as at 31 March 2022 | 914.02 |
| Additions | - |
| Disposals / adjustments | (1.60) |
| Carrying value as at 31 March 2023 | 912.42 |
| Additions | - |
| Disposals / adjustments | - |
| Carrying value as at 31 March 2024 | 912.42 |
| Depreciation Block | |
| 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 |
| Depreciation / Amortisation for the year | 64.48 |
| Disposals | - |
| Accumulated depreciation / Amortisation as at 31 March 2024 | 208.21 |
| Net Block | |
| As at 31 March 2023 | 768.69 |
| As at 31 March 2024 | 704.21 |

Note 2 (c) : Capital work-in-progress

| Particulars | ₹ in Lakhs |
|---------------------|------------|
| | Land |
| As at 31 March 2023 | 192.10 |
| As at 31 March 2024 | 1,586.24 |

Capital work-in-progress ageing schedule

| Capital Work-in-Progress | Amount in Capital Work-in-Progress for a period of | | | | Total |
|--------------------------------|--|-----------|-----------|-----------|----------|
| | Less than 1 | 1-2 years | 2-3 years | More than | |
| | year | | | 3 years | |
| Projects in progress | 1,468.43 | 117.81 | - | - | 1,586.24 |
| | (192.10) | - | - | - | (192.10) |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |

Footnotes:

- (i) Previous year's figures are in bracket.
- (ii) There were no material projects which have exceeded their original planned cost and timelines.
- (iii) The amount of borrowing cost capitalised during the year ended 31st March 2024: ₹ 44.54 lakhs (Previous Year ₹ 0.18 lakhs).

Notes to the Standalone Financial Statements

As at 31st March 2024

Note 2 (d) : Investment property

| Particulars | ₹ in Lakhs | |
|---|------------|-----------|
| | | Buildings |
| Gross Block | | |
| Carrying value as at 31 March 2022 | | 153.17 |
| Additions | | - |
| Disposals | | - |
| Carrying value as at 31 March 2023 | | 153.17 |
| Additions | | - |
| Disposals | | - |
| Carrying value as at 31 March 2024 | | 153.17 |
| Depreciation Block | | |
| 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 |
| Depreciation / Amortisation for the year | | 4.86 |
| Disposals | | - |
| Accumulated depreciation / Amortisation as at 31 March 2024 | | 20.86 |
| Net Block | | |
| As at 31 March 2023 | | 137.17 |
| As at 31 March 2024 | | 132.31 |

Footnote:

- (i) The amount of rental income from the investment property during the year ended 31st March 2024: ₹ 18.72 lakhs (Previous Year ₹ 18.72 lakhs)
- (ii) The fair value of investment property as at 31st March 2024: ₹ 121.90 lakhs (Previous Year ₹ 130.19 lakhs)

Note 2 (e) : Other intangible assets

| Particulars | ₹ in Lakhs | | |
|---|-------------------|--------------------|--------|
| | Computer Software | Technical Know-how | Total |
| Gross Block | | | |
| 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 |
| Additions | 8.85 | - | 8.85 |
| Disposals | - | - | - |
| Carrying value as at 31 March 2024 | 169.42 | 586.25 | 755.67 |
| Depreciation Block | | | |
| 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 |
| Depreciation / Amortisation for the year | 25.41 | 56.90 | 82.31 |
| Disposals | - | - | - |
| Accumulated depreciation / Amortisation as at 31 March 2024 | 126.99 | 415.78 | 542.77 |
| Net Block | | | |
| As at 31 March 2023 | 58.99 | 227.37 | 286.36 |
| As at 31 March 2024 | 42.43 | 170.47 | 212.90 |



Notes to the Standalone Financial Statements

As at 31st March 2024

Note 3

Investments

| Name of the body corporate | Subsidiaries | No. of shares and face value of shares | | | | ₹ in Lakhs | |
|---|----------------------------|--|------------|-----------------------------------|------------|---|---|
| | | As at 31 st March 2024 | | As at 31 st March 2023 | | As at 31 st March 2024 | As at 31 st March 2023 |
| | | Holding- In Nos. / % | Face Value | Holding- In Nos. / % | Face Value | | |
| Unquoted - Investment in subsidiaries (At cost) | | | | | | | |
| Thaletec GmbH | Wholly Owned Subsidiary | 4 | €75,000 | 4 | €75,000 | 11,260.52 | 11,260.52 |
| Kinam Engineering Industries [refer footnote (i)] | Subsidiary | 35.56% | NA | - | NA | - | - |
| Kinam Engineering Industries Private Limited [refer footnote (i)] | Subsidiary | 8,00,13,556 | 10.00 | - | - | 8,228.75 | - |
| Kinam Enterprise Private Limited | Subsidiary | 33,407 | 10.00 | - | - | 3.34 | - |
| THALETEC (previously known as HL Equipments) | Subsidiary | 99.00% | NA | 99.00% | NA | 3,317.36 | 3,336.30 |
| Total | | | | | | 22,809.97 | 14,596.82 |
| Aggregate value of unquoted investment | | | | | | 22,809.97 | 14,596.82 |

Footnotes:

- (i) The Company has completed the acquisition of 35.56% profit share with a controlling interest in Kinam Engineering Industries (the "Firm") on 26th September, 2023 for the purchase consideration of ₹ 7,996.66 lakhs in cash. The partners of the Firm agreed for the succession of the business of the Firm into a Company. The business of the Firm was succeeded into a Company named Kinam Engineering Industries Private Limited effective 01 January, 2024. All the partners of the Firm received shares in this Company in the proportion of their profit share in the Firm. However the Firm has not been dissolved as at the year end.
- (ii) Details of investments in partnership firms

| Name of the partnership firms and their partners | Total capital | | Share of each partner | |
|--|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| | THALETEC (previously known as HL Equipments) | | | |
| M/s HLE Glascoat Limited | 3,317.36 | 3,336.30 | 99.00% | 99.00% |
| Mr. Himanshu K Patel | 2.48 | 1.94 | 0.25% | 0.25% |
| Mr. Harsh H Patel | 0.72 | 5.63 | 0.25% | 0.25% |
| Mr. Aalap N Patel | 0.46 | 0.51 | 0.25% | 0.25% |
| Mrs. Sheetal H Patel | 0.13 | 5.18 | 0.25% | 0.25% |
| Total | 3,321.15 | 3,349.56 | 100% | 100% |

Notes to the Standalone Financial Statements

As at 31st March 2024

Note 4

Other financial assets (Secured, considered good)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| At amortised cost | | | | |
| Security deposits | 130.84 | 63.92 | 2.98 | 3.21 |
| Bank deposits with more than 12 months maturity | 9.11 | 60.84 | - | - |
| Others: | | | | |
| Interest accrued on loans and deposits | - | - | 21.78 | 21.29 |
| Income receivable | - | - | 87.52 | 27.52 |
| Balance with Government authorities | - | - | 100.40 | 282.34 |
| Export benefit receivable (Duty drawback) | - | - | 2.52 | 10.61 |
| At Fair value through profit or loss (FVTPL) | | | | |
| Derivative Asset | - | - | 30.81 | 574.08 |
| Total | 139.95 | 124.76 | 246.01 | 919.05 |

Note 5

Other assets (Unsecured, considered good unless otherwise stated)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Capital advances | 204.49 | 78.17 | - | - |
| Advances to employees | - | - | 38.28 | 13.33 |
| Advances to suppliers | - | - | 600.71 | 1,015.94 |
| Considered doubtful | - | - | 11.02 | 11.02 |
| Less: Provision for doubtful advances | - | - | (11.02) | (11.02) |
| Sub Total | 204.49 | 78.17 | 638.99 | 1,029.27 |
| Others | | | | |
| Balance with Government authorities | - | - | 85.79 | 350.48 |
| Prepaid expenses | 0.18 | 0.18 | 282.23 | 215.22 |
| Sub Total | 0.18 | 0.18 | 368.02 | 565.70 |
| Total | 204.67 | 78.35 | 1,007.01 | 1,594.97 |

Note 6

Inventories (at lower of cost & net realizable value)

₹ in Lakhs

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|-------------------|--------------------------------------|--------------------------------------|
| Raw materials | 8,394.60 | 8,228.15 |
| Work-in-progress | 10,147.98 | 8,433.52 |
| Finished goods | 1,253.96 | 815.21 |
| Stores and spares | 830.33 | 768.31 |
| Total | 20,626.87 | 18,245.19 |



Notes to the Standalone Financial Statements

As at 31st March 2024

Footnotes:

(i) Inventories includes goods in transit:

| Particulars | ₹ in Lakhs | |
|----------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Finished goods | 319.87 | 307.68 |

(ii) The cost of inventories expensed during the year includes ₹ Nil (Previous Year ₹ 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 banks.

(iv) The cost of inventories recognised as expense during the year in respect of continuing operations was ₹ 34,489.66 Lakhs (Previous year ₹ 37,929.10 Lakhs)

Note 7

Trade receivables

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Trade receivables | | |
| Unsecured, considered good [refer footnote (a)] | 13,238.21 | 17,181.82 |
| Credit impaired | 59.70 | 52.23 |
| Less: Impairment provision on expected credit loss model | (59.70) | (52.23) |
| Total | 13,238.21 | 17,181.82 |

Footnotes:

(a) Of the above, trade receivable due from related party ₹ 436.48 lakhs (Previous Year ₹ 90.28 lakhs) (refer note no. 30 g)

(b) 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

| Particulars | ₹ in Lakhs | | | | | | Total |
|---|-------------------|--|----------------------|-----------------|---------------|----------------------|--------------------|
| | Not due | Outstanding for following periods from due date of payment | | | | | |
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed - considered good | 4,776.03 | 7,059.40 | 1,048.79 | 353.99 | - | - | 13,238.21 |
| | (6,261.99) | (9,626.07) | (1,126.22) | (160.68) | (6.86) | - | (17,181.82) |
| Undisputed - considered significant increase in credit risk | - | - | - | 17.12 | 42.58 | - | 59.70 |
| | - | - | (7.16) | (10.88) | (18.99) | (15.20) | (52.23) |
| Less - Allowance for expected credit loss | - | - | - | 17.12 | 42.58 | - | 59.70 |
| | - | - | (7.16) | (10.88) | (18.99) | (15.20) | (52.23) |
| Total | 4,776.03 | 7,059.40 | 1,048.79 | 353.99 | - | - | 13,238.21 |
| | (6,261.99) | (9,626.07) | (1,126.22) | (160.68) | (6.86) | - | (17,181.82) |

Previous year's figures are in bracket

Notes to the Standalone Financial Statements

As at 31st March 2024

Note 8

Cash and cash equivalents (As per cash flow statement)

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balances with banks (of the nature of cash and cash equivalents) | 345.13 | - |
| Cash on hand | 1.91 | 3.99 |
| Total | 347.04 | 3.99 |

Note 9

Bank balances other than cash and cash equivalents

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Margin money deposits with bank (Under lien) | 532.82 | 930.96 |
| Unclaimed dividend account | 126.15 | 117.61 |
| Total | 658.97 | 1,048.57 |

Note 10

Loans

| Particulars | ₹ in Lakhs | |
|----------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Unsecured, considered good | | |
| Loans to employees | 23.91 | 23.58 |
| Total | 23.91 | 23.58 |

Note 11

Equity share capital

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Number | Amount | Number | Amount |
| Authorised share capital | | | | |
| Equity share of ₹ 2/- each [Previous year ₹ 2/- each] | 9,00,00,000 | 1,800.00 | 9,00,00,000 | 1,800.00 |
| Preference shares of ₹ 10/- each [Previous year ₹ 10/- each] | 26,00,000 | 260.00 | 26,00,000 | 260.00 |
| Issued, subscribed and fully paid-up equity share capital | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 1,365.31 |
| Reconciliation of number of equity share outstanding | | | | |
| Balance at the beginning of the year | 6,82,65,480 | 1,365.31 | 1,36,53,096 | 1,365.31 |
| Add: Increase in number of share on account of stock split [Refer footnote (b)] | - | - | 5,46,12,384 | - |
| Restated balance at the beginning of the year | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting year | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 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



Notes to the Standalone Financial Statements

As at 31st March 2024

- (a) The Company has only one class of equity share having par value of ₹ 2/- per share (Previous year ₹ 2/- 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) 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 ₹ 10/- per share to face value of ₹ 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 30(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 ₹ 2/- per equity shares.
- (c) The company has declared final dividend aggregating to ₹ 750.92 lakhs (₹ 1.10 per share) during the FY 2023-24 [Previous year ₹ 682.65 lakhs (₹ 5 per share)]

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 are as follows :

| Name of the shareholder | As at 31 st March 2024 | | As at 31 st March 2023 | |
|----------------------------|-----------------------------------|--------|-----------------------------------|--------|
| | No. | % | No. | % |
| Himanshu Khushalbhai Patel | 1,69,78,535 | 24.87% | 1,79,78,535 | 26.34% |
| Nilesh Khushalbhai Patel | 1,71,86,114 | 25.18% | 1,81,95,635 | 26.65% |
| Harsh Himanshu Patel | 88,32,173 | 12.94% | 92,97,900 | 13.62% |

The details of the shares held by promoters as at March 31, 2024 are as follows :

| Promoter name | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|----------------------------|-----------------------------------|-------------------|--------------------------|-----------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Promoter | | | | | | |
| Himanshu Khushalbhai Patel | 1,69,78,535 | 24.87% | -5.56% | 1,79,78,535 | 26.34% | - |
| Nilesh Khushalbhai Patel | 1,71,86,114 | 25.18% | -5.55% | 1,81,95,635 | 26.65% | - |
| Harsh Himanshu Patel | 88,32,173 | 12.94% | -5.01% | 92,97,900 | 13.62% | - |
| Aalap Nilesh Patel | 9,44,165 | 1.38% | - | 9,44,165 | 1.38% | - |
| Promoter Group | | | | | | |
| Priti Himanshubhai Patel | 46,350 | 0.07% | - | 46,350 | 0.07% | - |
| Kishoriben Nilesh Patel | 81,110 | 0.12% | - | 81,110 | 0.12% | - |
| Swara Rajeev Patel | 14,60,025 | 2.14% | - | 14,60,025 | 2.14% | - |
| | 4,55,28,472 | 66.69% | | 4,80,03,720 | 70.32% | |

Note 12

Other equity

| Particulars | ₹ in Lakhs | |
|---|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| (i) Securities premium | 9,892.75 | 9,892.75 |
| (ii) General reserve | 8,540.05 | 7,540.05 |
| (iii) Capital reserve | 1.52 | 1.52 |
| (iv) Retained earnings | 13,547.29 | 12,671.87 |
| (v) Remeasurements of defined benefit plans | (7.98) | 24.45 |
| (vi) Capital redemption reserve | 150.00 | 112.50 |
| (vii) Equity component of compound financial interest | 1,246.53 | 1,209.03 |
| (viii) Preference share capital | 37.52 | 75.02 |
| Total other equity | 33,407.68 | 31,527.19 |

Notes to the Standalone Financial Statements

As at 31st March 2024

The movement in other equity is as follows:

| (i) Securities premium | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 9,892.75 | 9,892.75 |
| Movement during the year | - | - |
| Balance at the end of the year | 9,892.75 | 9,892.75 |

| (ii) General reserve | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 7,540.05 | 5,540.05 |
| Transferred from retained earning | 1,000.00 | 2,000.00 |
| Balance at the end of the year | 8,540.05 | 7,540.05 |

| (iii) Capital reserve | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 1.52 | 1.52 |
| Movement during the year | - | - |
| Balance at the end of the year | 1.52 | 1.52 |

| (iv) Retained earnings | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 12,671.87 | 9,949.74 |
| Transfer to capital redemption reserve | (37.50) | (37.50) |
| Profit for the year | 2,663.84 | 5,442.28 |
| Dividend | (750.92) | (682.65) |
| Transfer to general reserve | (1,000.00) | (2,000.00) |
| Balance at the end of the year | 13,547.29 | 12,671.87 |

| (v) Remeasurements of defined benefit plans | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 24.45 | 23.69 |
| Other comprehensive income/(loss) for the year (net of tax) | (32.43) | 0.76 |
| Balance at the end of the year | (7.98) | 24.45 |

| (vi) Capital redemption reserve | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 112.50 | 75.00 |
| Transferred from retained earning | 37.50 | 37.50 |
| Balance at the end of the year | 150.00 | 112.50 |



Notes to the Standalone Financial Statements

As at 31st March 2024

| (vii) Equity component of compound financial interest | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 1,209.03 | 1,171.53 |
| Other adjustment | 37.50 | 37.50 |
| Balance at the end of the year | 1,246.53 | 1,209.03 |

| (viii) Preference share capital | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 75.02 | 112.52 |
| Other adjustment | (37.50) | (37.50) |
| Balance at the end of the year | 37.52 | 75.02 |

Nature and purpose of each component of equity

(i) Securities premium

Amounts received in excess of par value on issue of shares is classified as securities premium.

(ii) 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.

(iii) Capital reserve

Amount pertaining to forfeiture of shares

(iv) Retained earnings

Accumulated balance of total comprehensive income for the year

v) 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.

(vi) Capital redemption reserve

Capital redemption reserve is created by the company for redemption of preference share from its profits.

(vii) Equity component of compound financial interest

The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument. Financial Liabilities are recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.

(viii) Preference share capital

18,75,152 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each)

Notes to the Standalone Financial Statements

As at 31st March 2024

Note 13

Borrowings

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| NON CURRENT | | |
| Secured | | |
| Term loans (At amortized cost) | | |
| - from banks and financial institutions | 14,555.04 | 9,142.12 |
| - Interest accrued on term loan | 115.71 | 41.50 |
| Preference share liability (At amortised cost) | | |
| 18,75,152 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each) | - | 653.62 |
| Sub - Total | 14,670.75 | 9,837.24 |
| CURRENT | | |
| Secured (At amortized cost) | | |
| Current maturities of long-term debt | 4,011.66 | 3,724.11 |
| Loans repayable on demand | | |
| - from banks and financial institutions | 14,478.52 | 9,772.72 |
| Preference share liability (At amortised cost) | | |
| 18,75,152 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each) | 755.12 | 759.31 |
| Sub - Total | 19,245.30 | 14,256.14 |
| Total | 33,916.05 | 24,093.38 |

Non-Current Borrowings

- 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 11.70% p.a. (March 31, 2023: 11.60% p.a.) payable monthly.
- 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 9.90% p.a. (March 31, 2023: 8.40% p.a.) payable monthly.
- 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 11.68% p.a. (March 31, 2023: 8.25% p.a.) payable monthly.
- 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 8.30% p.a. (March 31, 2023: 2.50% p.a.) payable monthly.
- 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



Notes to the Standalone Financial Statements

As at 31st March 2024

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, 2023: 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, 2023: 9.15%) payable monthly.
- 7) Term Loan from Axis Finance Ltd. is secured by first pari passu charge on the entire present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets of Company. The Term Loan is repayable in 72 unequal monthly instalments commencing from March 2024 and carries an interest of 9.85 % p.a. (March 31, 2023: Nil) payable monthly.
- 8) 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, 2023: 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 9.00% p.a. [March 31, 2023: 9.43% p.a.] and for other facilities is SOFR plus 250 bps [March 31, 2023: SOFR 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 10.00% p.a. [March 31, 2023: 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 9.28% p.a. [March 31, 2023: 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 9.35% p.a. [March 31, 2023: 7.95% p.a.]
- 5) Purchase Bill Discounting/ Short Term Revolving Loan facility from Bajaj Finance Limited are secured by mortgage of certain immovable property(ies) owned by the Promoters and carries an interest of 9.35% p.a. (March 31, 2023: 9.5% p.a.) payable monthly.

Notes to the Standalone Financial Statements

As at 31st March 2024

- 6) The quarterly statement of stock and book debtors filed by the Company with the banks are in agreement with the books of account and no material discrepancies.

List of immovable property of the Company is as under:

- 1 Plot No A/6, R.S. No 153, New Block No 140, Maroli to Ubhrat Road, Village Nanod, Maroli, Navsari.
- 2 Plot No 200, Village Nadod, Navsari, Block B-3, Navsari.
- 3 Block No. 200 Paiky, Plot No. B/1/4, Maroli To Ubhrat Road, Village Nanod, Maroli, Navsari.
- 4 Survey No-183/P1, Village Naroli, Silvassa.
- 5 Plot No. H 106, R S No. 1425/P, 1435/P, 1431/P, 1416/P and 1424/P, Vitthal Udyognagar Industrial Area, Village Mogri, Taluka Anand, District Kheda.
- 6 Plot No. I 107, 107/A and I-105, Revenue Survey No. 808/P, 809/P, 811/P, R S No. 426/P, 1427/P, 1428/P, 1429/P and 1430/P, Village Mogri, Taluka Anand, District Kheda.

Note 14

Other financial liabilities (At Amortised cost)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Unclaimed dividends | - | - | 126.15 | 117.61 |
| Others : | | | | |
| Security deposit | 0.75 | 1.03 | 0.60 | 0.62 |
| Employee related payable | - | - | 588.45 | 633.15 |
| Capital creditors | 1,490.93 | 2,047.71 | 747.26 | 678.53 |
| Total | 1,491.68 | 2,048.74 | 1,462.46 | 1,429.91 |

Note 15

Provisions

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Provision for employee benefits | | | | |
| Gratuity | - | - | 204.88 | 140.65 |
| Leave benefits | 123.15 | 62.61 | 29.26 | 15.40 |
| Provision for unexpired warranty | - | - | 122.59 | 140.01 |
| Total | 123.15 | 62.61 | 356.73 | 296.06 |



Notes to the Standalone Financial Statements

As at 31st March 2024

Movement of provision for unexpired warranty

| Particulars | ₹ in Lakhs | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Opening balance | 140.01 | 92.50 |
| Add: Addition during the year | 169.63 | 164.63 |
| Less: Utilization during the year | 187.05 | 117.12 |
| Closing balance | 122.59 | 140.01 |

Movement of provision for employee benefits

| Particulars | ₹ in Lakhs | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Opening balance | 218.66 | 183.43 |
| Add: Addition during the year | 186.29 | 66.35 |
| Less: Utilization during the year | 47.66 | 31.12 |
| Closing balance | 357.29 | 218.66 |

Note 16

Deferred tax liabilities - (Net)

| Particulars | ₹ in Lakhs | |
|--------------------------|--------------------------------------|--------------------------------------|
| | Non-Current | |
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Deferred tax liabilities | 1,177.06 | 1,390.39 |
| Deferred tax assets | (115.18) | (18.20) |
| Total | 1,061.88 | 1,372.19 |

| Particulars | ₹ in Lakhs | | | |
|--|--------------------------------------|--|--|--------------------------------------|
| | As at 31 st March 2023 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31 st March 2024 |
| Deferred tax assets/(liabilities) in relation to: | | | | |
| Provision for gratuity | 5.80 | 45.76 | - | 51.56 |
| Provision for Leave encashment | 1.04 | 37.32 | - | 38.36 |
| Depreciation and amortisation | (1,245.91) | 76.60 | - | (1,169.31) |
| Right-of-use assets and lease liability | 2.29 | 5.17 | - | 7.46 |
| Mark to market gains on derivative | (144.48) | 136.73 | - | (7.75) |
| Allowance for doubtful debts and advances | 9.07 | 8.73 | - | 17.80 |
| | (1,372.19) | 310.31 | - | (1,061.88) |
| Deferred tax assets/(liabilities) in relation to: | | Assets | Liabilities | Net |
| Provision for gratuity | | 51.56 | - | 51.56 |
| Provision for Leave encashment | | 38.36 | - | 38.36 |
| Depreciation and amortisation | | - | (1,169.31) | (1,169.31) |
| Right-of-use assets and lease liability | | 7.46 | - | 7.46 |
| Mark to market gains on derivative | | - | (7.75) | (7.75) |
| Allowance for doubtful debts and advances | | 17.80 | - | 17.80 |
| | | 115.18 | (1,177.06) | (1,061.88) |

Notes to the Standalone Financial Statements

As at 31st March 2024

₹ in Lakhs

| Particulars | As at 31 st March 2022 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31 st 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 assets and lease liability | 2.19 | 0.10 | - | 2.29 |
| Mark to market gains on 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 assets and lease liability | | 2.29 | - | 2.29 |
| Mark to market gains on derivative | | - | (144.48) | (144.48) |
| Allowance for doubtful debts and advances | | 9.07 | - | 9.07 |
| | | 18.20 | (1,390.39) | (1,372.19) |

Note 17

Trade payables

₹ in Lakhs

| Particulars | Non-Current | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Outstanding dues of micro enterprises and small enterprises | 619.50 | 126.04 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 7,243.43 | 9,211.74 |
| Total | 7,862.93 | 9,337.78 |
| Of the above; | | |
| - Acceptances | 421.17 | 1,816.12 |
| - Payable to related party ₹ 63.90 Lakhs (Previous year ₹ 2.93 Lakhs) (Refer note 30 g) | | |



Notes to the Standalone Financial Statements

As at 31st March 2024

Trade payables ageing schedule

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--------------------------------------|--|--------------------------------|-------------------------------|------------------------------|--------------------------------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | | ₹ in Lakhs | | | | |
| (i) MSME | 557.36 (126.04) | 62.14 - | - - | - - | - - | 619.50 (126.04) |
| (ii) Others | 3,922.20 (5,892.52) | 3,236.57 (3,263.42) | 61.94 (43.84) | 14.46 (4.46) | 8.26 (7.50) | 7,243.43 (9,211.74) |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total | 4,479.56 (6,018.56) | 3,298.71 (3,263.42) | 61.94 (43.84) | 14.46 (4.46) | 8.26 (7.50) | 7,862.93 (9,337.78) |

Previous year's figures are in bracket

Note 18

Other liabilities

| Particulars | ₹ in Lakhs | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Non-Current | | Current | |
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Contract liability (Advance from customers) | - | - | 3,261.83 | 4,484.49 |
| Statutory dues | - | - | 413.32 | 862.75 |
| Liabilities for expenses | - | - | 292.73 | 548.98 |
| Unamortised Government grant | - | - | 38.47 | - |
| Total | - | - | 4,006.35 | 5,896.22 |

During the year ended 31st March, 2024, the company has recognised revenue of ₹ 4,086.80 lakhs (Previous Year ₹ 3,411.56 lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under:

| Particulars | ₹ in Lakhs | |
|---|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| As at beginning of the year | 4,484.49 | 3,737.68 |
| Recognised as revenue from contracts with customers | 4,086.80 | 3,411.56 |
| Advance returned back to customer | - | - |
| Advance from customers received during the year | 2,864.14 | 4,158.37 |
| Balance at the close of the year | 3,261.83 | 4,484.49 |

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

Note 19

Revenue from operations

| Particulars | ₹ in Lakhs | |
|---------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Revenue from operations | | |
| Sale of goods | 57,089.14 | 62,818.84 |
| Sale of services | 1,399.71 | 1,305.21 |
| Other operating revenues: | | |
| - Scrap sales | 581.87 | 817.48 |
| - Miscellaneous | 0.13 | 2.82 |
| Total | 59,070.85 | 64,944.35 |

Footnote:

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

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Gross sales (Contracted price) | 57,180.13 | 62,855.42 |
| Reductions towards variable consideration (Discounts & delayed delivery charges) | 90.99 | 36.58 |
| Revenue recognised | 57,089.14 | 62,818.84 |

Note 20

Other income

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest income | 71.39 | 41.99 |
| Rent income | 84.00 | 84.00 |
| Dividend income | 809.10 | 663.08 |
| Export incentives | 28.85 | 56.66 |
| Net gain on sale of investments | 26.83 | - |
| Net gain on foreign currency transaction | - | 197.05 |
| Gain on sale of property, plant and equipment | - | 41.32 |
| Unwinding of deferred income (EPCG) | 12.09 | - |
| Share of Profit in subsidiary (Firm) | 191.78 | - |
| Cessation of liability | 124.95 | 8.14 |
| Income from windmill | 152.28 | 92.98 |
| Miscellaneous income | 13.07 | 9.92 |
| Total | 1,514.34 | 1,195.14 |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

Note 21

Cost of materials consumed

| Particulars | ₹ in Lakhs | |
|--------------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Opening stock of raw materials | 8,228.15 | 8,811.34 |
| Purchases during the year | 34,244.77 | 34,464.84 |
| Closing stock of raw materials | (8,394.60) | (8,228.15) |
| Total | 34,078.32 | 35,048.03 |

Note 22

Changes in inventories of finished goods and work-in-progress

| Particulars | ₹ in Lakhs | |
|----------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Opening stock: | | |
| Finished goods | 815.21 | 1,261.90 |
| Work-in-progress | 8,433.52 | 8,378.00 |
| | 9,248.73 | 9,639.90 |
| Less: Closing stock: | | |
| Finished goods | 1,253.96 | 815.21 |
| Work-in-progress | 10,147.98 | 8,433.52 |
| | 11,401.94 | 9,248.73 |
| Total | (2,153.21) | 391.17 |

Note 23

Employee benefits expense

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Salaries and wages | 4,821.55 | 4,359.22 |
| Contribution to provident, gratuity and other funds | 223.88 | 185.08 |
| Staff welfare expenses | 462.16 | 361.41 |
| Total | 5,507.59 | 4,905.71 |

Note 24

Finance costs

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest on loans | 1,185.27 | 793.54 |
| Interest on working capital facilities | 1,255.10 | 750.85 |
| Interest on lease liabilities | 27.52 | 31.97 |
| Interest - others | 64.59 | 113.57 |
| Interest on unsecured loan | - | 10.17 |
| Exchange differences regarded as an adjustment to borrowing costs | 34.22 | 288.86 |
| Dividend on redeemable preference share | 4.46 | 8.01 |
| Other borrowing costs: | | |
| Unwinding of discount relating to long term liabilities | 92.57 | 157.62 |
| Total | 2,663.73 | 2,154.59 |

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

Note 25

Depreciation and amortisation expense

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Depreciation of property, plant and equipment | 1,245.71 | 1,111.26 |
| Depreciation of investment property | 4.86 | 4.85 |
| Amortisation of right-of-use assets | 64.48 | 64.37 |
| Amortisation of intangible assets | 82.31 | 76.82 |
| Total | 1,397.36 | 1,257.30 |

Note 26

Other expenses

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Stores and spares consumed | 2,564.55 | 2,489.90 |
| Power and fuel | 2,377.91 | 2,673.65 |
| Processing expenses | 5,462.17 | 5,400.63 |
| Rent | 72.18 | 46.12 |
| Rates and taxes | 91.86 | 67.38 |
| Insurance expenses | 129.25 | 119.06 |
| Printing and stationery | 61.38 | 59.00 |
| Repairs and renewals: | | |
| Buildings | 87.10 | 123.43 |
| Plant and machinery | 342.23 | 387.92 |
| Other assets | 41.04 | 66.11 |
| Travelling and conveyance | 456.85 | 339.99 |
| Communication expenses | 86.11 | 72.48 |
| Vehicle expenses | 86.07 | 64.72 |
| Auditors' remuneration: | | |
| Statutory audit fees | 18.88 | 17.00 |
| Tax audit fees | 2.00 | 2.00 |
| Other fees | 2.50 | 3.50 |
| Director's sitting fee | 9.30 | 4.07 |
| Director's travelling | 5.36 | 29.72 |
| Sales promotion expenses | 125.81 | 49.80 |
| Bad debts written-off | 0.94 | 0.03 |
| Donation | 0.09 | 6.15 |
| Corporate social responsibility expenses | 221.50 | 138.40 |
| Security expenses | 72.52 | 76.21 |
| Commission | 265.03 | 364.62 |
| Freight and forwarding (Net) | 870.96 | 1,136.29 |
| Drawings and installation charges | 0.18 | 0.48 |
| Laboratory expenses | 30.52 | 26.47 |
| Packing expenses | 70.67 | 65.84 |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Pollution control expenses | 14.24 | 63.63 |
| Expected credit loss provision | 60.00 | 25.01 |
| Provision for Doubtful Advances | - | 11.02 |
| Bank charges | 174.92 | 144.14 |
| Net loss on foreign currency transaction | 203.93 | - |
| Loss on disposal/Impairment of property, plant and equipment | 239.50 | - |
| Share of loss in subsidiary (Firm) | - | 71.40 |
| Legal and professional fees | 690.64 | 465.62 |
| Warranty expense (Refer note 15) | 169.63 | 164.63 |
| Miscellaneous expenses | 316.66 | 384.99 |
| Total | 15,424.48 | 15,161.41 |

Note 27

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.

| Particulars | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Interest bearing loans and borrowings | 33,916.05 | 24,093.38 |
| Less: Cash and short term deposits | 879.86 | 934.95 |
| Net debt | 33,036.19 | 23,158.43 |
| Equity | 1,365.31 | 1,365.31 |
| Other equity | 33,407.68 | 31,527.19 |
| Total capital | 34,772.99 | 32,892.50 |
| Capital and net debt | 67,809.18 | 56,050.93 |
| Gearing ratio % | 48.72% | 41.32% |

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 .

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

i) Interest rate risks

Interest rate risk can be either fair value interest rate or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rate. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates 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:

| Particulars | ₹ in Lakhs | |
|----------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Fixed-rate instruments | | |
| Borrowings | 6,843.04 | 9,591.07 |
| Floating-rate instruments | | |
| Borrowings | 27,073.01 | 14,502.31 |

Fair value sensitivity analysis for floating-rate instruments

The Company accounts for floating-rate financial assets or financial liabilities at fair value through profit or loss.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2024 would have been decreased/increased by ₹ 220.89 lakhs (Previous Year ₹ 133.05 lakhs)

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

For the Year Ended 31st March 2024

The ageing of trade receivables is as follows:

| Particulars | ₹ in Lakhs | |
|--------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| More than 6 months | 1,402.78 | 1,293.76 |
| Others | 11,835.43 | 15,888.06 |
| Total | 13,238.21 | 17,181.82 |

The amounts reflected in the table above are not impaired as on the reporting date.

(c) Liquidity Risk Management :

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

| Particulars | Refer Note | ₹ in Lakhs | | | |
|---------------------------------------|------------|--------------------------|------------------------|------------------------|----------------------|
| | | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Borrowings | 13 | 19,361.01 (14,297.64) | 8,760.73 (7,360.47) | 3,557.11 (2,435.27) | 2,237.20 - |
| Trade payable | 17 | 7,778.27 (9,281.98) | 76.40 (48.30) | 8.26 (7.50) | - - |
| Security deposit | 14 | 0.60 (0.62) | 0.75 (1.03) | - - | - - |
| Employee benefit/ expense liabilities | 14 | 588.45 (633.15) | - - | - - | - - |
| Unclaimed dividends | 14 | 126.15 (117.61) | - - | - - | - - |
| Others | 14 | 747.26 (678.53) | 1,490.93 (2,047.71) | - - | - - |

Previous year's figures are in bracket

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

Note 28

THE INCOME TAX EXPENSES FOR THE YEAR CAN BE RECONCILED TO THE ACCOUNTING PROFIT AS FOLLOWS:

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Profit before tax from continuing operations | 3,135.95 | 7,221.28 |
| Income tax expenses calculated at 25.17% (31 st March, 2023: 25.17%) (Company's domestic tax rate) | 789.32 | 1,817.60 |
| Effect of income that is deductible/exempt from taxation | (1,015.94) | (757.76) |
| Effect of expenses not deductible for tax computation | 1,009.05 | 438.59 |
| Effect of different tax rates on dividend distribution by foreign subsidiary | - | 66.31 |
| Changes in recognised deductible temporary differences | (310.31) | 214.27 |
| Total tax expenses | 472.11 | 1,779.00 |

Note 29

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.

| As at 31 st March 2024 | Note No. | Carrying amount | | | | Fair value | | | |
|--------------------------------------|-------------|-----------------|----------|-------------------|------------------|---|--|--|------------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets | | | | | | | | | |
| Investments | 4 | - | - | 22,809.97 | 22,809.97 | - | - | 22,809.97 | 22,809.97 |
| Trade Receivables | 7 | - | - | 13,238.21 | 13,238.21 | - | - | 13,238.21 | 13,238.21 |
| Loans | 10 | - | - | 23.91 | 23.91 | - | - | 23.91 | 23.91 |
| Others financial assets | 4 | 30.81 | - | 355.15 | 385.96 | - | 30.81 | 355.15 | 385.96 |
| Cash and cash equivalents | 8 | - | - | 347.04 | 347.04 | - | - | 347.04 | 347.04 |
| Bank balances other than above | 9 | - | - | 658.97 | 658.97 | - | - | 658.97 | 658.97 |
| Total | | 30.81 | - | 37,433.25 | 37,464.06 | - | 30.81 | 37,433.25 | 37,464.06 |
| Financial liabilities | | | | | | | | | |
| Borrowings | 13 | - | - | 33,916.05 | 33,916.05 | - | - | 33,916.05 | 33,916.05 |
| Lease liabilities | | - | - | 265.11 | 265.11 | - | - | 265.11 | 265.11 |
| Trade Payables | 17 | - | - | 7,862.93 | 7,862.93 | - | - | 7,862.93 | 7,862.93 |
| Other financial liabilities | 14 | - | - | 2,954.14 | 2,954.14 | - | - | 2,954.14 | 2,954.14 |
| Total | | - | - | 44,998.23 | 44,998.23 | - | - | 44,998.23 | 44,998.23 |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

₹ in Lakhs

| As at 31 st March 2023 | Note No. | Carrying amount | | | | Fair value | | | Total |
|--------------------------------------|-------------|-----------------|----------|-------------------|------------------|---|--|--|------------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | | | | |
| Investments | 4 | - | - | 14,596.82 | 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 | 13 | - | - | 24,093.38 | 24,093.38 | - | - | 24,093.38 | 24,093.38 |
| Lease liabilities | | - | - | 320.43 | 320.43 | - | - | 320.43 | 320.43 |
| Trade payables | 17 | - | - | 9,337.78 | 9,337.78 | - | - | 9,337.78 | 9,337.78 |
| Other financial liabilities | 14 | - | - | 3,478.65 | 3,478.65 | - | - | 3,478.65 | 3,478.65 |
| Total | | - | - | 37,230.24 | 37,230.24 | - | - | 37,230.24 | 37,230.24 |

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. Non current financial assets / liabilities measured at amortised cost.
2. 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

For the Year Ended 31st March 2024

NOTE 30

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Profit after taxation | | |
| Profit for the year from continuing operations | 3,025.72 | 5,542.83 |
| Profit/(Loss) for the year from discontinued operations | (361.88) | (100.55) |
| Weighted average number of equity shares for the purpose of calculation of earnings per share | 6,82,65,480 | 6,82,65,480 |
| EARNINGS PER EQUITY SHARE | | |
| a. From continuing operations | | |
| Basic | 4.43 | 8.12 |
| Diluted | 4.43 | 8.12 |
| b. From discontinued operations | | |
| Basic | (0.53) | (0.15) |
| Diluted | (0.53) | (0.15) |

b) Disclosures under The micro, small and medium enterprises development act, 2006 ('MSMED'):

The details of liabilities to micro and small enterprises, to the extent information available with the Company are given under:

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| (i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year | 619.50 | 126.04 |
| (ii) Interest accrued and due to suppliers on above amount, unpaid | - | 2.28 |
| (iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| (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 |
| (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 | 14.47 |

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

For the Year Ended 31st March 2024

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 ₹ Nil (Previous Year ₹ 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) Other statutory information.

- (i) The Company does not have any Benami property nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not recorded any transaction in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not been declared a wilful defaulter by any bank or financial institution or any of the lenders.

e) Exceptional item represents transaction cost related to acquisition of a subsidiary during the year.

f) Disclosures as per IND AS - 19 - employee benefits

The Company make contributions towards provident fund, in substance a defined contribution retirement plan to the Regional Provident Fund Commissioner for qualifying employees.

The Company make annual contributions to the Employees' Gratuity Trust, for funding the defined benefit plans for qualifying employees.

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

- 1) During the year, the Company has recognised the following amounts in the statement of profit and loss:

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| i) Employer's contribution to provident fund (Refer footnote 1) | 143.76 | 118.90 |
| ii) Leave encashment - unfunded | 106.96 | 25.90 |

Footnote:

- 1) Included in "Contribution to provident, gratuity and other funds" (Note 23).
- 2) The valuation results for the defined benefit gratuity plan as at 31-3-2024 are produced in the tables below:
- i) **Change in the Present Value of Defined Benefit Obligation**

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Present value of obligation as at the beginning | 516.62 | 480.94 |
| Interest expense or cost | 37.97 | 29.97 |
| Current service cost | 50.55 | 46.41 |
| Re-measurement or Actuarial (gain) / loss arising from: | | |
| - Demographic assumptions | - | (34.32) |
| - Change in financial assumptions | 5.05 | (11.25) |
| - Experience variance | 18.11 | 35.99 |
| Benefits paid | (47.66) | (31.12) |
| Present value of obligation as at the end | 580.64 | 516.62 |

- ii) **Changes in the fair value of plan assets**

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Fair value of plan assets as at the beginning | 375.96 | 366.45 |
| Investment income | 27.63 | 25.07 |
| Return on plan assets excluding interest income | (20.17) | (8.56) |
| Employer's contribution | 40.00 | 24.12 |
| Benefits paid | (47.66) | (31.12) |
| Fair value of plan assets as at the end | 375.76 | 375.96 |

- iii) **Expenses recognised in the income statement**

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Current service cost | 50.55 | 46.41 |
| Net interest cost on the net defined benefit liability | 10.34 | 4.90 |
| Expenses recognised in the income statement | 60.89 | 51.31 |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

iv) Other comprehensive income

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Actuarial (gains) / losses | | |
| - Demographic assumptions | - | 34.32 |
| - Change in financial assumptions | (5.05) | 11.25 |
| - Experience variance | (18.11) | (35.99) |
| Adjustment of present value of obligation at the beginning of the year | - | - |
| Return on plan assets excluding interest income | (20.17) | (8.56) |
| Net (Income)/Expense for the year recognized in OCI | (43.34) | 1.02 |

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

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Funds managed by insurer | 100% | 100% |
| Investment in insurance Company | | |
| Life Insurance Corporation of India | 17% | 16% |
| Reliance (Nippon Life insurance) | 26% | 29% |
| Bajaj Allianz | 57% | 55% |

vi) Actuarial assumptions

a. Financial assumptions

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

| Particulars | ₹ in Lakhs | |
|---------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Discount rate (per annum) | 7.19% | 7.35% |
| Salary growth rate | 7.00% | 7.00% |

b. Demographic Assumptions

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| 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% |

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:

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

| Particulars | ₹ in Lakhs | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Defined Benefit Obligation (Base) | 580.64 | 516.62 |

| Particulars | (₹ In Lakhs) | | | |
|--|-----------------------------------|----------|-----------------------------------|----------|
| | As at 31 st March 2024 | | As at 31 st March 2023 | |
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 33.77 | (30.15) | 28.63 | (25.54) |
| (% change compared to base due to sensitivity) | -94.2% | -105.2% | -94.5% | -104.9% |
| Salary Growth Rate (- / + 1%) | (29.09) | 31.78 | (25.25) | 27.31 |
| (% change compared to base due to sensitivity) | -105.0% | -94.5% | -104.9% | -94.7% |
| Employee Turnover Rate (- / + 1%) | 0.12 | (0.20) | (0.04) | (0.05) |
| (% change compared to base due to sensitivity) | -100.0% | -100.0% | -100.0% | -100.0% |

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.

b. **Asset Liability Matching Strategies**

The scheme is managed on funded basis.

c. **Effect of Plan on Entity's Future Cash Flows**

-Funding arrangements and Funding Policy

The scheme is managed on funded basis.

| Expected Contribution during the next annual reporting period | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| The Company's best estimate of Contribution during the next year | 159.05 | 139.10 |
| - Maturity Profile of Defined Benefit Obligation | | |
| Weighted average duration (based on discounted cash flows) | 7 Years | 7 Years |

| Expected payments over the next (valued on undiscounted basis) | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| 1 year | 72.89 | 92.54 |
| 2 to 5 years | 272.83 | 225.65 |
| 6 to 10 years | 252.61 | 215.35 |
| 11 and above years | 358.06 | 313.90 |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

g) Related party disclosures

(As per Ind AS 24: Related party disclosures)

Names of other related parties and nature of relationship :

Direct Subsidiaries

Thaletec GmbH
THALETEC (previously known as HL Equipments)
Kinam Engineering Industries Private Limited (01.01.2024 onwards)
Kinam Engineering Industries (from 26.09.2023 onwards)
Kinam Enterprise Private Limited (01.10.2023 onwards)

Step-down Subsidiary

Thaletec Inc, USA
Kinam Process Equipments Private Limited (01.10.2023 onwards)

Key Management Personnel :

Executive Directors / CS / CFO

Mr. Himanshu Patel (Managing Director)
Mr. Aalap Patel (Executive Director)
Mr. Harsh Patel (Whole Time Director)
Mr. Achal Thakkar (Company Secretary & Compliance Officer)
Mr. Naveen Kandpal (Chief Financial Officer)

Non-Executive/Independent Directors

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

Relatives of Key Management Personnel :

Swara R. Patel (daughter of Mr. Himanshu K. Patel)
Priti H. Patel (spouse of Mr. Himanshu K. Patel)
Sahil H. Patel (son of Himanshu K. Patel)
Poonam H. Patel (daughter of Himanshu K. Patel)
Hitesh C. Patel (brother in law of Mr. Himanshu K. Patel)
Bhoomi A. Patel (spouse of Aalap N. Patel)
Kishori N. Patel (Spouse 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

For the Year Ended 31st March 2024

Transactions with related parties (excluding reimbursements)

₹ in Lakhs

| Nature of Transactions | Transactions | | Payable/(Receivable)/Closing Balances | |
|---|---|---|---------------------------------------|--------------------------------------|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| I. Subsidiary Company: | | | | |
| a. THALETEC (previously known as H L Equipments) | | | | |
| Sales of goods/services | - | 150.55 | - | - |
| Purchase of goods/services | - | 1,423.39 | - | - |
| Capital introduced | 152.02 | 62.00 | - | - |
| Capital withdrawn | 153.00 | 1,084.49 | - | - |
| Capital balance as on year ending | - | - | 3,317.36 | 3,336.30 |
| Share of profit / (loss) | (17.96) | 71.40 | - | - |
| b. Thaletec GmbH | | | | |
| Investment closing balance | - | - | 11,260.52 | 11,260.52 |
| Dividend income | 809.10 | 663.08 | - | - |
| Sales of goods/services | 32.96 | - | (31.16) | - |
| Purchase of goods/services | 52.51 | - | 24.29 | - |
| c. Kinam Engineering Industries / Kinam Engineering Industries Pvt. Ltd. | | | | |
| Investment | 7,997.01 | - | 8,228.75 | - |
| Share of profit / (loss) | 209.74 | - | - | - |
| Interest on capital | 22.00 | - | - | - |
| Purchase of goods/services | 27.97 | - | 32.98 | - |
| Sales of goods/services | 1.40 | - | - | - |
| d. Kinam Enterprise Private Limited | | | | |
| Investment | 3.34 | - | 3.34 | - |
| II. Key management personnel : | | | | |
| Remuneration [refer foot note (i)] | 324.90 | 271.04 | 28.56 | 26.48 |
| Commission | 42.60 | 69.24 | 24.60 | 45.48 |
| Rent expense | 41.17 | 36.96 | 3.12 | - |
| Dividend (Equity shares) | 510.58 | 464.16 | - | - |
| III. Relatives of KMP : | | | | |
| Dividend (Equity shares) | 17.46 | 15.87 | - | - |
| Dividend (Preference shares) | 0.22 | 0.32 | - | - |
| Sitting fee | 9.30 | 4.07 | - | - |
| Rent expense | 3.77 | 3.00 | 0.27 | - |
| Purchase of goods/services | 12.42 | 10.80 | 3.24 | 2.43 |
| Redemption of Preference Shares | 22.61 | 22.61 | - | - |
| IV. Entities in which directors are interested: | | | | |
| Sales of goods/services | 936.56 | 555.76 | (405.32) | (90.28) |
| Purchase of goods/services | 14.99 | 14.93 | - | 0.50 |
| Contribution towards Corporate Social Responsibility | 221.50 | 104.50 | - | - |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

₹ in Lakhs

| Nature of Transactions | Transactions | | Payable/(Receivable)/Closing Balances | |
|--|---|---|---------------------------------------|--------------------------------------|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| V. Entities in which relatives of KMP are interested: | | | | |
| Balance as on year ending | - | - | - | - |
| Loan received | - | - | - | - |
| Loan repaid | - | 150.00 | - | - |
| VI. Gratuity fund | | | | |
| Contribution | 40.00 | 24.12 | - | - |
| Plan assets as at the end | | - | 375.76 | 375.96 |

Footnotes:

- i) Remuneration does not include provisions made for Gratuity and Leave benefits amounting to ₹ 28.69 Lakhs (Previous year ₹ 21.69 Lakhs)
- 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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: ₹ 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.

h) 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 Standalone Financial Statements

For the Year Ended 31st March 2024

Details of segment information:

| Particulars | ₹ in Lakhs | | | | | |
|---|--|--|--|--|--|--|
| | Filtration, drying and other equipment | | Glass lined equipment | | Total | |
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | Year ended 31 st March 2024 | Year ended 31 st March 2023 | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Revenue : | | | | | | |
| External sales | 37,366.66 | 34,138.95 | 20,901.82 | 29,929.79 | 58,268.48 | 64,068.74 |
| Other | | | | | 802.37 | 875.61 |
| Total external sales | | | | | 59,070.85 | 64,944.35 |
| Segment results : | | | | | | |
| Profit before tax and interest | 5,164.10 | 4,578.00 | 1,035.56 | 4,475.67 | 6,199.66 | 9,053.67 |
| Less: Other unallocable expense net of unallocable income | | | | | 399.98 | (322.20) |
| Less: Interest expense | | | | | 2,663.73 | 2,154.59 |
| Profit before tax | | | | | 3,135.95 | 7,221.28 |
| Taxes | | | | | 472.11 | 1,779.00 |
| Net profit after tax | | | | | 2,663.84 | 5,442.28 |
| Segment assets | 32,989.87 | 32,165.53 | 27,619.24 | 27,131.72 | 60,609.11 | 59,297.25 |
| Unallocated segment assets | | | | | 24,710.22 | 18,452.57 |
| Total assets | | | | | 85,319.33 | 77,749.82 |
| Segment liabilities | 7,339.90 | 7,324.44 | 8,229.85 | 11,978.44 | 15,569.75 | 19,302.88 |
| Unallocated segment liabilities | | | | | 34,976.59 | 25,554.44 |
| Total liabilities | | | | | 50,546.34 | 44,857.32 |
| Capital expenditure | 688.69 | 1,195.12 | 2,828.41 | 4,866.51 | 3,517.10 | 6,061.63 |
| Depreciation | 704.05 | 649.95 | 641.68 | 546.42 | 1,345.73 | 1,196.37 |
| Unallocated depreciation | | | | | 51.63 | 60.93 |
| Total Depreciation | | | | | 1,397.36 | 1,257.30 |

| Particulars | ₹ in Lakhs | |
|------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Capital employed | 34,772.99 | 32,892.50 |

Geographical information

| Particulars | ₹ in Lakhs | |
|---------------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Geographical information | | |
| Revenue from customers | | |
| India | 56,822.43 | 61,224.37 |
| Outside India | 2,248.42 | 3,719.98 |
| Total | 59,070.85 | 64,944.35 |

Footnote:

- a) 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 (₹ 6,086.64 lakhs during CY and ₹ 10,466.60 PY).



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

i) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As At 31 st March 2024 | As At 31 st March 2023 |
| Opening Balance | 320.43 | 370.50 |
| Additions during the year | - | - |
| Finance costs incurred during the year | 27.52 | 31.97 |
| Payments of Lease Liabilities | (82.84) | (82.04) |
| Closing Balance | 265.11 | 320.43 |

(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

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Expenses related to short term lease & low value lease | 72.18 | 46.12 |
| Total Expenses | 72.18 | 46.12 |

(iv) Maturity analysis of lease liabilities

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Maturity Analysis of contractual undiscounted cash flows | | |
| Less than one year | 63.18 | 55.33 |
| One to five years | 107.76 | 140.44 |
| More than five years | 94.16 | 124.66 |
| Total undiscounted Lease Liability | 265.10 | 320.43 |
| Balances of Lease Liabilities | | |
| Non Current Lease Liability | 201.93 | 265.10 |
| Current Lease Liability | 63.18 | 55.33 |
| Total Lease Liability | 265.11 | 320.43 |

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

j) Ratio

| Particulars | Numerator | Denominator | As at 31 st March 2024 | As at 31 st March 2023 | Variance (in %) | Explanation for change of 25% or more |
|-------------------------------------|--|------------------------------|-----------------------------------|-----------------------------------|-----------------|--|
| a) Current ratio | Current assets | Current liabilities | 1.10 | 1.25 | -12.20% | |
| b) Debt equity ratio | Total debt(current and non current) | shareholders' equity | 0.98 | 0.73 | 33.16% | On account of fresh borrowings during the year to meet the higher working capital requirements and capex. |
| c) Debt service coverage ratio | Earnings available for debt service | Debt Service | 1.07 | 1.90 | -43.85% | 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 | 7.87% | 17.84% | -55.86% | On account of increased net worth due to higher retained earnings in previous year as well as the PAT for the year being lower due to decrease in sales, 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 | 3.04 | 3.45 | -11.87% | |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 3.88 | 5.11 | -24.03% | |
| g) Trade payables turnover ratio | Purchases of goods & services and other expenses | Average trade payables | 3.98 | 3.49 | 13.94% | |
| h) Net capital turnover ratio | Revenue from operations | Working capital | 18.75 | 8.38 | 123.58% | On account of increase in current liabilities due to higher borrowings |
| i) Net profit % | Net profit | Revenue from operations | 4.51% | 8.38% | -46.19% | On account of decrease in sales, higher raw material costs, interest and depreciation caused by additional capex incurred and put to use. |
| j) Return on capital employed % | Earnings before interest and taxes | Capital employed | 9.10% | 16.15% | -43.61% | On account of increased net worth due to higher retained earnings in previous year as well as the operating profit for the year being lower due to decrease in sales, higher raw material costs, interest and depreciation caused by additional capex incurred and put to use. |



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

| Particulars | Numerator | Denominator | As at 31 st March 2024 | As at 31 st March 2023 | Variance (in %) | Explanation for change of 25% or more |
|---------------------------|--|-------------|-----------------------------------|-----------------------------------|-----------------|--|
| k) Return on investment % | Interest income, net gain on sale of investments and net fair value gain | Investments | 0.35% | 0.00% | 100.00% | No income on investments during the previous year. |

k) Disclosure regarding derivative instruments and unhedged foreign currency exposure :

| Particulars | Currency | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|----------|---------------------------------------|--------------------|---------------------------------------|--------------------|
| | | Amount in Foreign Currency - In lakhs | Amount- In ₹ Lakhs | Amount in Foreign Currency - In lakhs | Amount- In ₹ Lakhs |
| Foreign Currency Loan | USD | 65.11 | 5,430.87 | 88.79 | 7,296.07 |
| Trade Payables | USD | 2.56 | 213.57 | 0.48 | 39.85 |
| | EUR | 1.27 | 114.70 | 0.32 | 28.26 |
| | USD | 0.50 | 41.38 | 5.15 | 425.07 |
| Advances to suppliers | EUR | 0.25 | 22.81 | - | - |
| | CHF | | | 0.00 | 0.41 |
| | USD | 2.27 | 189.37 | 3.31 | 269.14 |
| Trade Receivables | EUR | 3.71 | 335.10 | 1.71 | 153.00 |
| | USD | 1.59 | 132.00 | 3.41 | 276.71 |
| Contract liability (Advance from customers) | EUR | - | - | 0.33 | 29.74 |
| | USD | 0.37 | 30.81 | 6.99 | 574.08 |
| EEFC Accounts /Cash & Cash Equivalents | USD | - | - | 0.02 | 1.24 |

l) Commitment

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for ₹ 1,132.28 lakhs (Previous Year ₹ 408.51 lakhs)
- (ii) Letters of credit issued by the banks ₹ Nil lakhs (Previous Year ₹ 2,185.62 lakhs)

m) Contingent Liabilities not provided for:

- (i) Claims not acknowledged as debts:
 - (a) Disputed Service Tax for the period 2008 to 2013 is ₹ 16.47 lakhs (Previous Year ₹ 16.47 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 5.19 lakhs(Previous Year ₹ 5.19 lakhs).
 - (b) Disputed Service Tax for the period 2012 to 2015 is ₹ 29.07 lakhs (Previous Year ₹ 29.07 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 5.09 lakhs(Previous Year ₹ 5.09 lakhs).
 - (c) Disputed Service Tax for the period 2013 to 2017 is ₹ 22.92 lakhs (Previous Year ₹ 22.92 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 4.01 lakhs(Previous Year ₹ 4.01 lakhs).
 - (d) There is a pending litigation against the Company for compensation of loss of profit of ₹ 500.00 lakhs. The Court has decided the judgment in favour of the Company during the year.

Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

n) Discontinued Operations:

i) Description of Discontinued Operations:

- (i) The Company had chemical manufacturing operations at Plot No.B-1,B-3,B-4 & A-7, Maroli Udyognagar, 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 and completed the process on March 31, 2024.

ii) Business or Geographical segment:

The Discontinued Unit was engaged in the business of chemicals and had business establishment only in India.

iii) Details of Property, Plant and Equipment are as under:

| Fixed Assets | ₹ in Lakhs | |
|---------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Building | - | - |
| Plant & Machinery | - | 703.33 |
| Total Assets | - | 703.33 |

- iv) The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinued operations during the current financial reporting year are as under :

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Revenue from operations | 802.37 | 875.61 |
| Other income | 0.18 | 51.00 |
| Depreciation on Assets | 51.63 | 60.93 |
| Loss on Impairment of property, plant and equipment | 204.65 | - |
| Other Expenses | 908.15 | 966.23 |
| Loss before tax | (361.88) | (100.55) |

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

- o) The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 16.01 lakhs (Previous Year: ₹ 17.43 lakhs).

p) 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 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:



Notes to the Standalone Financial Statements

For the Year Ended 31st March 2024

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| i) Amount required to be spent by the Company during the year | 136.50 | 137.80 |
| ii) Amount of expenditure incurred | | |
| (a) Construction/acquisition of any asset | - | - |
| (b) On purposes other than (a) above | 221.50 | 138.40 |
| iii) Shortfall/(excess) at the end of the year | (85.00) | (0.60) |
| 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 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 | 221.50 | 104.50 |
| viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision | NA | |

q) Subsequent events post balance sheet

i) The Board has recommended a dividend @ 55 % (₹ 1.10) per equity share and declared a dividend @ 9.5 % (₹ 0.19) per preference share at its meeting held on 27th May 2024.

r) 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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038

Independent Auditor's Report

To the Members of HLE Glascoat Limited

Report on the Audit of the Consolidated Financial Statements

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, 2024, 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 on that date and notes to financial statements, a summary of material 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, 2024, 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. Emphasis of Matter

We draw attention to Note 31(p) to the Consolidated Financial Statements which describe the following matter:

The Holding Company has during the year completed the acquisition of 35.56% profit share with the controlling interest in Kinam Engineering Industries (a "Partnership Firm"). Further a Business Succession Agreement and a Shareholders Agreement were executed on 10th January 2024 to be effective from 1st January 2024 between Kinam Engineering Industries, its Partners and Kinam Engineering Industries Private Limited for the business succession. Based on the above the Holding Company has recognised Goodwill and Intangible Assets amounting to ₹ 3,983.04 Lakhs and ₹ 15,195.00 lakhs respectively.

Our opinion is not modified in respect of this matter.

4. 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 year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



| S No | Key Audit Matter | How the matter was addressed in our audit |
|------|--|--|
| 1 | Defined Benefit Obligation The valuation of the retirement benefit schemes in the Group 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. | Our audit procedures included: <ul style="list-style-type: none"> 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. |
| 2 | Property, Plant & Equipment (Including Capex) <ul style="list-style-type: none"> 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 Consolidated Financial Statements. | Our audit procedures included: Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ul style="list-style-type: none"> 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 Ind AS 16. We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, Plant & Equipment. 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. We have relied on physical verification conducted by management and management representations. |
| 3 | Impairment of PPE on discontinued operation of Chemical business <ul style="list-style-type: none"> An asset is impaired when its carrying amount exceeds its recoverable amount. Ind AS has described some indications that an impairment loss may have occurred. If any of those indications are present, the management is required to make a formal estimate of the recoverable amount. | Our audit procedures included: Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ul style="list-style-type: none"> We have reviewed management's judgement pertaining to impairment of assets on discontinued operations of Chemical business. We have carried out substantive audit procedures at financial and assertion level to verify the amount of assets impaired during the period. |

| S No | Key Audit Matter | How the matter was addressed in our audit |
|------|---|---|
| 4 | <p>Valuation of intangible assets and goodwill identified post business succession of the Heat Transfer Equipment business of Kinam Engineering Industries:</p> <p>(Refer Note 31(p), to be read along with Emphasis of matter in Independent Auditor's Report)</p> <ul style="list-style-type: none"> Pursuant to the Business Succession Agreement and the Shareholders Agreement executed on 10th January '24 effective from 1st January '2024, between Kinam Engineering Industries, its partners and Kinam Engineering Industries Private Limited, the Heat Transfer Equipment business of Kinam Engineering Industries was succeeded into the Kinam Engineering Industries Private Limited. Post business succession a valuation of the intangible assets of the Kinam Engineering Industries Private Limited was carried out. The valuation resulted in recognition of intangible assets aggregating to ₹ 15,195 lakhs and a goodwill of ₹ 3,983.04 lakhs as at the valuation date. Significant management judgement is involved in the identification of intangible assets in accordance with Ind AS 38 'Intangible Assets', and their valuation and determination of the goodwill. The management engaged independent valuers ("management's experts") for carrying out the valuation. <p>We considered this area as a key audit matter, due to the significant management judgement required in identification and valuation of intangible assets.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> Obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over accounting for business succession. Assessed the competence, capabilities and objectivity of management's experts, persuaded the report issued by them and evaluated the appropriateness of the valuation model and underlying assumptions considered by them. Tested the valuation of the acquired identifiable intangible assets which involved: <ul style="list-style-type: none"> Evaluation of the prospective financial information used in the valuation models, testing the completeness and accuracy of underlying data and evaluation of the valuation methodology. Assessed the appropriateness of the disclosures in the Consolidated Financial Statements in accordance with Ind AS 38. |

5. 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 and Sustainability 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.

6. Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies 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 Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Companies.

7. Auditor's Responsibilities for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of

the audits carried out by them. We remain solely responsible for our audit opinion.

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

8. Other Matters

The Statement includes the financial statements and other financial information of five subsidiaries 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 audited by local auditors under generally accepted accounting standards applicable in its country. The Parent Company's management has converted the financial information from accounting principles generally accepted in their respective country to accounting principles generally accepted in India.

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 consolidated 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 ₹ 17,070.23 lakh as on 31st March 2024, total revenue of ₹ 29,134.24 lakh, total comprehensive income of ₹ 1,152.96 lakh respectively for the year ended 31st March 2024, 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.

9. Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- 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.



- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2024 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 and its subsidiary companies incorporated in India, 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 31(I) 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 and its subsidiary companies incorporated in India;
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, 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 loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary companies incorporated in India 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 respective Managements of the Company and its subsidiaries which are companies incorporated in India, 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 and its subsidiary companies incorporated in India, from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding 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 and its subsidiaries, which are companies incorporated in India 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 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 the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting, as applicable.

- vi. Based on our examination which included test checks and that performed by us in case of subsidiaries, which are companies incorporated in India whose financial statements have been audited by us under the Act, the holding company, subsidiaries which are companies incorporated in India, have used an accounting software for maintaining its books of account which has a inbuilt feature of recording audit trail (edit log) facility for all relevant transactions recorded in the software and the same has operated throughout the year except for following:

| Company | Accounting Software used | Audit Trail feature operating from |
|---|--------------------------|------------------------------------|
| HLE Glascoat Ltd (Holding Company) - Silvassa unit | Tally ERP9 | 17 th July 2023 |
| Kinam Enterprise Pvt Ltd (Subsidiary) | Tally ERP9 | 3 rd January 2024 |
| Kinam Process Equipment Pvt Ltd (Step-down Subsidiary) | Tally ERP9 | 4 th January 2024 |

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

- vii. With respect to the matters specified in paragraphs 3(xxii) and 4 of the companies (Auditor's Report) order, 2020 (the order/CARO) issued by the central government in terms of section 143 (11) of the act, to be included in the Auditor's Report, according to the information and explanation given to us, and based on CARO reports issued by us for the Holding company and its subsidiaries incorporated in India included in the consolidated financial statements of the company, to which the reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports. We also report that CARO reporting is not applicable to the foreign subsidiaries included in the Consolidated Financial Statements.

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

N Kashinath
Partner
Mem. No. 036490
UDIN: 24036490BKGTC5989

Place: Silvassa, Dadra & Nagar Haveli
Date: May 27, 2024



Annexure “A”

To the Independent Auditor’s Report of even date on the Consolidated Financial Statements of HLE Glascoat Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“the Act”)

OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Financial Statements of **HLE GLASCOAT LIMITED** (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and internal financial controls were operating effectively as at 31 March 2024, based on the internal financial control with reference to Consolidated Financial Statement criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

1. MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal financial control reporting criteria established by the respective Companies 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.

2. AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company and its subsidiary companies which are incorporated in India, 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 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 and the audit evidence obtained by other auditors of a subsidiary company incorporated in India, in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiary companies which are incorporated in India.

3. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated

Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. 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 Financial Statements in so far as it relates to subsidiary companies, incorporated in India, is based on our audit report of that subsidiaries.

For M M Nissim & Co LLP

Chartered Accountants

Firm Reg.No.107122W / W100672

N Kashinath

Partner

Mem. No. 036490

UDIN: 24036490BKGTC5989

Place: Silvassa, Dadra & Nagar Haveli

Date: May 27, 2024



Consolidated Balance Sheet

As at 31st March 2024

| Particulars | Note No. | ₹ in Lakhs | |
|--|----------|--------------------------------------|--------------------------------------|
| | | As at 31 st March 2024 | As at 31 st March 2023 |
| I) ASSETS | | | |
| 1) Non-Current Assets | | | |
| a) Property, plant and equipment | 2 (a) | 31,467.22 | 29,902.09 |
| b) Right of use assets | 2 (b) | 3,008.32 | 1,406.15 |
| c) Capital work-in-progress | 2 (c) | 1,943.06 | 290.53 |
| d) Investment property | 2 (d) | 132.31 | 137.17 |
| e) Goodwill | 2 (e) | 4,034.69 | 51.30 |
| f) Other intangible assets | 2 (f) | 15,472.03 | 326.52 |
| g) Financial assets: | | | |
| (i) Others financial assets | 3 | 500.17 | 133.55 |
| h) Deferred tax assets (Net) | 4 | 11.01 | - |
| i) Non-current tax assets (net) | | 1,395.19 | 1,200.91 |
| j) Other non-current assets | 5 | 204.67 | 78.35 |
| 2) Current Assets | | | |
| a) Inventories | 6 | 31,214.90 | 26,847.33 |
| b) Financial assets: | | | |
| (i) Trade receivables | 7 | 23,718.02 | 24,279.85 |
| (ii) Cash and cash equivalents | 8 | 3,328.58 | 268.24 |
| (iii) Bank balances other than cash and cash equivalents | 9 | 1,218.33 | 1,358.22 |
| (iv) Loans | 10 | 23.91 | 23.58 |
| (v) Others financial assets | 3 | 274.12 | 963.82 |
| c) Other current assets | 5 | 2,249.16 | 2,179.89 |
| TOTAL ASSETS | | 1,20,195.69 | 89,447.50 |
| II) EQUITY AND LIABILITIES | | | |
| 1) Equity | | | |
| a) Equity share capital | 11 | 1,365.31 | 1,365.31 |
| b) Other equity | 12 | 40,314.83 | 31,304.32 |
| c) Non controlling interest | 13 | 7,990.21 | 13.26 |
| Total Equity | | 49,670.35 | 32,682.89 |
| 2) LIABILITIES | | | |
| i) Non-Current Liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 14 | 14,670.75 | 9,837.24 |
| (ii) Lease liabilities | | 2,367.09 | 736.76 |
| (iii) Other financial liabilities | 15 | 1,491.68 | 2,048.74 |
| b) Provisions | 16 | 2,082.53 | 1,853.29 |
| c) Deferred tax liabilities (net) | 17 | 1,173.33 | 1,602.95 |
| d) Other non-current liabilities | 19 | 8.59 | 12.49 |
| ii) Current Liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 14 | 21,576.05 | 14,872.00 |
| (ii) Lease liabilities | | 348.01 | 230.57 |
| (iii) Trade payables | 18 | | |
| - Outstanding dues of micro enterprises and small enterprises | | 1,126.42 | 126.18 |
| - Outstanding dues of creditors other than micro enterprises and small enterprises | | 9,934.38 | 11,351.96 |
| (iv) Other financial liabilities | 15 | 2,326.29 | 2,086.59 |
| b) Other current liabilities | 19 | 12,276.98 | 10,819.41 |
| c) Provisions | 16 | 1,005.49 | 915.68 |
| d) Income tax liabilities | | 137.75 | 270.75 |
| Total Liabilities | | 70,525.34 | 56,764.61 |
| TOTAL EQUITY AND LIABILITIES | | 1,20,195.69 | 89,447.50 |

Material accounting policies

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Consolidated Statement of Profit and Loss

For the Year Ended 31st March 2024

| Particulars | Note No. | ₹ in Lakhs | |
|---|----------|---|---|
| | | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| I) INCOME | | | |
| a) Revenue from operations | 20 | 96,792.02 | 93,202.30 |
| b) Other income | 21 | 881.62 | 802.73 |
| TOTAL INCOME (a+b) | | 97,673.64 | 94,005.03 |
| II) EXPENSES | | | |
| a) Cost of materials consumed | 22 | 45,357.49 | 42,097.43 |
| b) Changes in inventories of finished goods and work-in-progress | 23 | (1,318.24) | 776.07 |
| c) Employee benefits expense | 24 | 17,744.82 | 14,721.93 |
| d) Finance costs | 25 | 3,057.97 | 2,304.61 |
| e) Depreciation and amortisation expense | 26 | 2,631.06 | 2,269.88 |
| f) Other expenses | 27 | 23,801.86 | 21,902.30 |
| TOTAL EXPENSES (a to f) | | 91,274.96 | 84,072.22 |
| III) PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEM | | 6,398.68 | 9,932.81 |
| IV) Exceptional items (Refer note 31 d) | | 530.97 | - |
| V) PROFIT BEFORE TAX (III-VI) | | 5,867.71 | 9,932.81 |
| VI) TAX EXPENSE | | | |
| a) Current tax | | 2,188.89 | 2,590.49 |
| b) Prior period tax | | 11.25 | 2.72 |
| c) Deferred tax | | (421.29) | 358.95 |
| TOTAL TAX EXPENSE (a+b+c) | | 1,778.85 | 2,952.16 |
| VII) PROFIT FOR THE YEAR (V-VI) | | 4,088.86 | 6,980.65 |
| VIII) Profit before tax for the period from continuing operations | | 6,229.59 | 10,033.36 |
| IX) Tax expense of continuing operations | | 1,778.85 | 2,952.16 |
| X) Profit for the period from continuing operations (VIII-IX) | | 4,450.74 | 7,081.20 |
| XI) Profit/ (Loss) before tax for the period from discontinued operations | | (361.88) | (100.55) |
| XII) Tax expense of discontinued operations | | - | - |
| XIII) Profit for the period from discontinued operations (XI+XII) | | (361.88) | (100.55) |
| XIV) PROFIT FOR THE YEAR (X+XIII) | | 4,088.86 | 6,980.65 |
| 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 | | (86.50) | 234.13 |
| (b) Income tax relating to items that will not be reclassified to the Consolidated Statement of Profit and Loss | | 22.68 | (73.70) |
| (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 | | 102.21 | 857.64 |
| (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) | | 38.39 | 1,018.07 |
| XVI) TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 4,127.25 | 7,998.72 |
| XVII) A. Profit attributable to: | | | |
| Owners of the parent | | 2,968.71 | 6,981.37 |
| Non-controlling interest | | 1,120.15 | (0.72) |
| XVII) B. Other comprehensive income attributable to: | | | |
| Owners of the parent | | 52.27 | 1,018.07 |
| Non-controlling interest | | (13.88) | - |
| XVII) C. Total comprehensive income for the year attributable to: | | | |
| Owners of the parent | | 3,020.98 | 7,999.44 |
| Non-controlling interest | | 1,106.27 | (0.72) |
| XVIII) EARNINGS PER EQUITY SHARE | 31(a) | | |
| a. From continuing operations | | | |
| Basic | | 6.52 | 10.37 |
| Diluted | | 6.52 | 10.37 |
| b. From discontinued operations | | | |
| Basic | | (0.53) | (0.15) |
| Diluted | | (0.53) | (0.15) |

Material accounting policies
Accompanying notes are an integral part of these financial statements

1

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Consolidated Statement of Changes in Equity

For the Year Ended 31st March 2024

Equity share capital (refer Note 11)

| Particulars | ₹ in Lakhs | |
|---|-------------|----------|
| | Number | Amount |
| Balance at the end of the reporting year ending 31 st March 2022 | 1,36,53,096 | 1,365.31 |
| Add: Increase in number of share on account of stock split | 5,46,12,384 | - |
| Restated balance at the beginning of the year | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting year ending 31 st March 2023 | 6,82,65,480 | 1,365.31 |
| Restated balance at the beginning of the year | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting year ending 31 st March 2024 | 6,82,65,480 | 1,365.31 |

Other equity

| Particulars | ₹ in Lakhs | | | | | | | | | | |
|---|--------------------|-----------------|-----------------|-------------------|---|----------------------------|--------------------------------------|---|--------------------------|--------------------|-----------------------------------|
| | Securities premium | General reserve | Capital reserve | Retained earnings | Remeasurements of defined benefit plans | Capital redemption reserve | Foreign currency translation reserve | Equity component of compound financial interest | Preference share capital | Total Other Equity | Share of Non controlling Interest |
| Balance at the end of the reporting year ending 31 st March 2022 | 9,892.75 | 5,540.05 | 1.52 | 7,229.78 | 150.00 | 75.00 | (185.62) | 1,171.53 | 112.52 | 23,987.53 | 8.40 |
| Transfer to capital redemption reserve | - | - | - | (37.50) | - | 37.50 | - | - | - | - | - |
| Other adjustment | - | - | - | - | - | - | - | 37.50 | (37.50) | - | - |
| Profit for the current reporting year ending 31 st March 2023 | - | - | - | 6,981.37 | - | - | - | - | - | 6,981.37 | (0.72) |
| Other comprehensive income (Net of tax) | - | - | - | - | 160.43 | - | 857.64 | - | - | 1,018.07 | - |
| Total comprehensive income for the reporting year | - | - | - | 6,943.87 | 160.43 | 37.50 | 857.64 | 37.50 | (37.50) | 7,999.44 | (0.72) |
| Transactions with owners in their capacity as owners: | | | | | | | | | | | |
| Dividends | | | | | | | | | | | |
| - Final dividend (₹ 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 31 st March 2023 | 9,892.75 | 7,540.05 | 1.52 | 11,491.00 | 310.43 | 112.50 | 672.02 | 1,209.03 | 75.02 | 31,304.32 | 13.26 |
| Transfer to capital redemption reserve | - | - | - | (37.50) | - | 37.50 | - | - | - | - | - |
| Other adjustment | - | - | - | - | - | - | - | 37.50 | (37.50) | - | - |
| Profit for the current reporting year ending 31 st March 2024 | - | - | - | 2,968.71 | - | - | - | - | - | 2,968.71 | 1,120.15 |
| Other comprehensive income (Net of tax) | - | - | - | - | (49.94) | - | 102.21 | - | - | 52.27 | (13.88) |
| Total comprehensive income for the reporting year | - | - | - | 2,931.21 | (49.94) | 37.50 | 102.21 | 37.50 | (37.50) | 3,020.98 | 1,106.27 |



Consolidated Statement of Changes in Equity

For the Year Ended 31st March 2024

| Particulars | Reserves and Surplus | | | | Remeasure-ments of defined benefit plans | Foreign currency translation reserve | Equity component of compound financial interest | Preference share capital | Total Other Equity | Share of Non controlling Interest |
|---|----------------------|-----------------|-----------------|-------------------|--|--------------------------------------|---|--------------------------|--------------------|-----------------------------------|
| | Securities premium | General reserve | Capital reserve | Retained earnings | | | | | | |
| Transactions with owners in their capacity as owners: | | | | | | | | | | |
| Dividends | | | | | | | | | | |
| -Final dividend (₹ 1.10/- per share) | - | - | - | (750.92) | - | - | - | - | (750.92) | - |
| Transfer to general reserve | - | 1,000.00 | - | (4,000.00) | - | - | - | - | - | - |
| On acquisition of Kinam Engineering Industries Private Limited | - | - | 7,035.75 | (295.30) | - | - | - | - | 6,740.45 | 6,879.97 |
| (Withdrawal)/Contribution during the year in THALETEC (previously known as HL Equipments) | - | - | - | - | - | - | - | - | - | (9.29) |
| Balance at the end of the reporting year ending 31 st March 2024 | 9,892.75 | 8,540.05 | 7,037.27 | 12,375.99 | 260.49 | 774.23 | 1,246.53 | 37.52 | 40,314.83 | 7,990.21 |

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038



Consolidated Statement of Cash Flow

For the Year Ended 31st March 2024

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX | 5,867.71 | 9,932.81 |
| Adjustment for : | | |
| Depreciation | 2,631.06 | 2,269.88 |
| Finance cost | 3,057.97 | 2,304.61 |
| Foreign currency unrealised (gain) (Net) | 545.01 | (168.46) |
| Expected credit loss | 94.20 | 25.03 |
| Provision for doubtful advances | - | 11.32 |
| Interest income | (91.96) | (47.57) |
| Rent Income | - | (37.60) |
| Deferred income | (15.99) | (0.92) |
| Bad debts written off | 0.94 | 0.03 |
| Remeasurements of defined benefit plans | (86.50) | 234.13 |
| Net gain on sale of investments | (26.83) | - |
| Sundry balance/provision written back | (126.25) | (30.87) |
| (Gain)/loss on sale & disposal of fixed assets | 238.95 | (84.14) |
| | 6,220.60 | 4,475.44 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 12,088.31 | 14,408.25 |
| Trade receivables | 1,660.11 | (8,882.70) |
| Other current assets | 569.70 | 315.59 |
| Other financial assets | (110.82) | (261.42) |
| Loans and advances | (0.33) | (6.30) |
| Inventories | (1,433.75) | (29.22) |
| Trade payable | (1,348.08) | (2,264.50) |
| Provisions | 316.85 | (317.75) |
| Other non current financial liabilities | 78.12 | 425.03 |
| Other current financial liabilities | 29.72 | - |
| Other liabilities | 171.66 | 388.44 |
| | (66.82) | (10,632.83) |
| CASH GENERATED FROM OPERATIONS | 12,021.49 | 3,775.42 |
| Direct taxes paid | (2,595.28) | (3,287.83) |
| NET CASH FROM OPERATING ACTIVITIES | 9,426.21 | 487.59 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of PPE including capital work in progress and capital advance | (5,517.00) | (4,846.29) |
| Proceeds from sale of property, plant and equipment | 2.43 | 717.54 |
| Increase in Fixed deposits with banks | 862.65 | 45.75 |
| Sales of investments (Net) | 26.83 | - |
| Interest income | 77.94 | 41.22 |
| NET CASH USED IN INVESTING ACTIVITIES | (4,547.15) | (4,041.78) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from working capital facilities (Net) | 4,838.16 | 5,695.03 |
| Proceeds from long-term borrowings | 9,304.85 | 514.26 |
| Repayment of Inter-corporate loan (Net) | - | (150.00) |
| Proceeds from Issue of share capital/share warrants | 668.14 | - |
| Repayments of term loans | (4,456.93) | (2,194.53) |
| Redemption of preference share | (747.74) | (747.74) |

Consolidated Statement of Cash Flow

For the Year Ended 31st March 2024

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|--|--|
| Net movement in capital/equity | (8,541.62) | 730.02 |
| Interest paid | (2,124.90) | (1,840.52) |
| Dividend paid | (750.92) | (682.65) |
| (Withdrawal)/Contribution by Non controlling interest | (9.29) | 5.58 |
| NET CASH FROM FINANCING ACTIVITIES | (1,820.25) | 1,329.45 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,058.81 | (2,224.74) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | 268.24 | 2,492.98 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR ON THE ACQUISITION OF SUBSIDIARY | 1.53 | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 3,328.58 | 268.24 |

Footnotes to Cash Flow Statement:

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

₹ in Lakhs

| Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|--|--|--|
| Opening balance | | |
| Long term borrowing | 9,795.74 | 12,936.90 |
| Current borrowing | 10,532.03 | 5,336.20 |
| Current maturity of long term borrowing | 4,339.97 | 2,390.63 |
| Interest accrued on term loan | 41.50 | 45.33 |
| Total (A) | 24,709.24 | 20,709.06 |
| (a) Cash flow movement | | |
| Cash (outflow)/inflow in/from non-current borrowings | 4,788.49 | (3,091.78) |
| Cash inflow from current borrowings | 6,682.36 | 7,145.17 |
| (b) Non-cash flow movement | | |
| Effect of amortisation of loan origination cost | (29.19) | (49.38) |
| Interest accrued during the year | 95.90 | (3.83) |
| Total (B) | 11,537.56 | 4,000.18 |
| Closing balance (A+B) | 36,246.80 | 24,709.24 |
| Closing Balance break up | | |
| Long term borrowing | 14,555.04 | 9,795.74 |
| Current borrowing | 16,787.58 | 10,532.03 |
| Current maturity of long term borrowing | 4,766.78 | 4,339.97 |
| Interest accrued on term loan | 137.40 | 41.50 |
| | 36,246.80 | 24,709.24 |

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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038



Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 1 – Basis of Consolidation and Material Accounting Policies under IND AS

A) Corporate Information

The consolidated financial statements comprise financial statements of HLE Glascoat Limited (the 'Holding Company') and its subsidiaries (collectively the "Group") for the year ended 31st March, 2024. The Holding 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 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. Basis of Consolidation

The Group has invested in the following subsidiaries and the Company's respective ownership interest as at 31st March 2024 is as follows:

| Name | Country of incorporation | Proportion of ownership interest | Type of subsidiary | Accounting Period covered for consolidation |
|--|--------------------------|----------------------------------|-------------------------|--|
| Thaletec GmbH | Germany | 100.00% | Wholly Owned Subsidiary | April 1 st , 2023 - March 31 st , 2024 |
| Thaletec USA Inc. | USA | 100% | Step-down subsidiary | April 1 st , 2023 - March 31 st , 2024 |
| Kinam Engineering Industries Private Limited | India | 35.56% | Subsidiary | January 1 st , 2024 - March 31 st , 2024 |
| Kinam Engineering Industries | India | 35.56% | Subsidiary | September 26 th , 2023 - December 31 st , 2023 |
| Kinam Enterprise Private Limited | India | 0.50% | Subsidiary | October 1 st , 2023 - March 31 st , 2024 |
| Kinam Process Equipments Private Limited | India | 0.50% | Step-down subsidiary | October 1 st , 2023 - March 31 st , 2024 |
| Thaletec (formerly known as HL Equipments) | India | 99.00% | Subsidiary | April 1 st , 2023 - March 31 st , 2024 |

- (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.

- (iii) Heat Transfer Equipment & other Equipment - Manufacturing of Heat Transfer Equipment, Shell & Tube Heat Exchangers (STHE), Corrugated Tube Heat Exchangers (CTHE), Spiral Heat Exchangers (SPHE), Plate Heat Exchangers (PHE), & Box Type Heat Exchangers.

B) Principles of consolidation

The material 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.

Notes to the Consolidated Financial Statements

As at 31st March 2024

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31st March 2024. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries.
- b) Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

iii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 30) 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, 2024 were approved for issue in accordance with a resolution of the directors on 27th May, 2024.

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



Notes to the Consolidated Financial Statements

As at 31st March 2024

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 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.

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 31(e))**

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Income taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over

Notes to the Consolidated Financial Statements

As at 31st March 2024

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 Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods

beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

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 except for freehold land which is not amortised.

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 Profit or Loss aggregated with other income or other expense line item on net basis, respectively.

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

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. Given below are the estimated useful lives for each class of property, plant and equipment:



Notes to the Consolidated Financial Statements

As at 31st March 2024

| Description of the Asset | Estimated Useful life |
|--|---|
| Tangible: | |
| Factory buildings (includes Investment Property) | 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 - leasehold | Primary period of lease (10 and 99 years) |
| -Building | 10 years |
| -Operating and Office Equipment's | 3 to 10 Years |
| Goodwill | To be tested for impairment |
| Intangible: | |
| Software | 3-5 Years |
| Technical know-how | 10 Years & Indefinite (To be tested for impairment) |
| Brand Value | Indefinite (To be tested for impairment) |
| Customer network & relationship | Indefinite (To be tested for impairment) |

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 certain technical Know-how for internal use are treated as intangible assets with finite life. Technical know-how, brand value and customer network & relationship are treated as intangible assets with indefinite life.

Any gain or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis.

Intangible Assets are classified based on finite and indefinite useful life. The intangible assets with finite life are amortized over 3 to 10 years on straight-line method over the estimated useful economic life of the assets. The intangible assets with indefinite life are not amortized but are subject to impairment testing annually.

3) 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 factory buildings is provided over the estimated useful lives as specified in note C.1 above.

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.

4) Inventories:

Inventories consisting of stores and spares, raw materials, Work in progress and finished goods are measured 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.

Cost of raw material, components and stores and spares is determined on a first in first out basis for Glass Lined Equipment division & Heat Transfer Equipment and on a weighted average method for Filtration, drying & other Equipment and its foreign subsidiaries.

5) Leases:

The Group as a lessee

The Group's 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.

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

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As at 31st March 2024

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.

The lease term includes extension or termination options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, and 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

The lease liability is initially measured 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 of whether it will exercise an extension or a termination option.

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.

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

6) Government Grants:

Grants and subsidies from the government are 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.

Where the grant relates to an asset under the EPCG Scheme, it is presented as a deferred income aggregated under other liabilities in Balance Sheet and presented under other income in profit and loss on systematic and rational basis associated with fulfilment of export obligations.

7) 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 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.

Contingent liabilities are disclosed based on 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.

8) 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



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As at 31st March 2024

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 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.

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

10) 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) Heat Transfer Equipment.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to

that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of delayed delivery of goods, product discount and schemes offered by the group as part of the contract with the customers. The Group recognises changes in the estimated amounts of obligations for product discount 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 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 in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Notes to the Consolidated Financial Statements

As at 31st March 2024

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/ product 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.
- 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 product discounts and schemes offered by the Group as part of the contract with the customers. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs.

11) 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:

- Defined benefit plans i.e. gratuity, partial retirement, pension and others benefits;
- Defined contributions plan i.e., 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.

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.

e) 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.

12) Taxes on Income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the profit or loss section of 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.



Notes to the Consolidated Financial Statements

As at 31st March 2024

a) Current Tax:

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. 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 recognized for all taxable temporary differences. Deferred tax assets are 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 deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the parent and for each subsidiary in the Group, as per their applicable Laws and the aggregated.

13) 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 discontinued operations.

14) Financial Instruments:

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 conditions that are potentially favorable to the Group.

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, loans/ advances to employees/others, security deposits etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 profit or loss.

Subsequent measurement

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

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

Financial assets measured at amortized cost

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

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

Notes to the Consolidated Financial Statements

As at 31st March 2024

other comprehensive income (OCI). 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.

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.

Impairment of financial assets

The Group 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 Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. 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.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in profit or loss.

b) Financial Liabilities

The Group's financial liabilities include loans and borrowings including 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.

Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost at the end of subsequent accounting periods. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss.

Derecognition

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



Notes to the Consolidated Financial Statements

As at 31st March 2024

15) 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 of property plant and equipment, intangible assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the 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.

16) Recent Accounting Pronouncements:

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the holding Company and subsidiaries incorporated in India.

Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 2 (a) : Property, Plant and Equipment

| Particulars | ₹ in Lakhs | | | | | | | | | | Total | |
|--|-----------------|------------------|---------------------|---------------|----------------------|-------------------------------------|------------------------|---------------|------------------|---------------|------------------|--|
| | Freehold Land | Buildings | Plant and equipment | Windmill | Tools and Equipments | Electric Installation and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | | |
| Gross Block | | | | | | | | | | | | |
| Carrying value as at 31 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 | |
| Additions | 476.20 | 370.81 | 1,080.96 | - | - | 247.89 | 17.71 | 55.29 | 396.35 | 49.14 | 2,694.35 | |
| Additions on Acquisition (Refer note 31 p) | 251.00 | - | 705.12 | - | - | - | 205.54 | 163.57 | 24.66 | 103.00 | 1,452.89 | |
| Disposals | - | - | (56.14) | - | - | - | - | - | (140.64) | (0.77) | (197.55) | |
| Exchange fluctuations | 2.62 | 44.66 | 16.85 | - | - | - | - | - | 20.70 | - | 84.83 | |
| Carrying value as at 31 March 2024 | 6,411.68 | 14,949.79 | 12,633.20 | 536.91 | 716.32 | 927.14 | 551.90 | 823.94 | 3,369.80 | 464.10 | 41,384.78 | |
| Depreciation Block | | | | | | | | | | | | |
| 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 | |
| Depreciation / Amortisation for the year | - | 547.45 | 736.79 | 14.26 | 43.96 | 147.38 | 36.98 | 70.58 | 455.09 | 72.65 | 2,125.14 | |
| Additions on Acquisition | - | - | 91.11 | - | - | - | 38.67 | 66.84 | 12.80 | 59.10 | 268.52 | |
| Impairment | - | - | 195.20 | - | - | 9.09 | 0.08 | - | 0.22 | 0.06 | 204.65 | |
| Disposals | - | - | (19.95) | - | - | - | - | - | (138.60) | (0.73) | (159.28) | |
| Exchange fluctuations | - | 0.31 | 13.98 | - | - | - | - | - | 16.07 | - | 30.36 | |
| Accumulated depreciation / Amortisation as at the 31 March 2024 | - | 1,721.36 | 4,028.27 | 317.66 | 281.55 | 394.17 | 193.43 | 391.32 | 2,298.38 | 291.42 | 9,917.56 | |
| Net Block | | | | | | | | | | | | |
| 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 | |
| As at 31 March 2024 | 6,411.68 | 13,228.43 | 8,604.93 | 219.25 | 434.77 | 532.97 | 358.47 | 432.62 | 1,071.42 | 172.68 | 31,467.22 | |

Footnotes:

- (i) The title deeds of freehold land are held in the name of the company. Title Deeds in respect of buildings on immovable property which are constructed on company's freehold/leasehold land is based on documents constituting evidence of legal ownership.
- (ii) Impairment is related to the discontinued operations of the Chemical business [Refer Note no. 31 (m)]



Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 2 (b) : Right of use asset

| Particulars | ₹ in Lakhs | | | |
|--|---------------|-----------------|-------------------------------|-----------------|
| | Land | Buildings | Property, Plant and Equipment | Total |
| Gross Block | | | | |
| Carrying value as at 31 March 2022 | 914.02 | 376.15 | 522.31 | 1,812.48 |
| Additions / adjustments | - | 25.87 | 174.39 | 200.26 |
| Disposals / adjustments | (1.60) | | (132.88) | (134.48) |
| Exchange fluctuations | - | 21.98 | 30.53 | 52.51 |
| Carrying value as at 31 March 2023 | 912.42 | 424.00 | 594.35 | 1,930.77 |
| Additions / adjustments | - | - | 234.59 | 234.59 |
| Additions on Acquisition | - | 1,920.99 | - | 1,920.99 |
| Disposals / adjustments | - | - | (94.94) | (94.94) |
| Exchange fluctuations | - | 2.89 | 4.99 | 7.88 |
| Carrying value as at 31 March 2024 | 912.42 | 2,347.88 | 738.99 | 3,999.29 |
| Depreciation Block | | | | |
| Accumulated depreciation / Amortisation as at 31 March 2022 | 79.35 | 46.56 | 248.80 | 374.71 |
| Depreciation / Amortisation for the year | 64.37 | 41.77 | 158.61 | 264.75 |
| Disposals / adjustments | - | - | (132.12) | (132.12) |
| Exchange fluctuations | - | 2.72 | 14.56 | 17.28 |
| Accumulated depreciation / Amortisation as at 31 March 2023 | 143.72 | 91.05 | 289.85 | 524.62 |
| Depreciation / Amortisation for the year | 64.48 | 149.39 | 179.19 | 393.06 |
| Additions on Acquisition | - | 162.11 | - | 162.11 |
| Disposals / adjustments | - | - | (93.45) | (93.45) |
| Exchange fluctuations | - | 0.91 | 3.72 | 4.63 |
| Accumulated depreciation / Amortisation as at the 31 March 2024 | 208.20 | 403.46 | 379.31 | 990.97 |
| Net Block | | | | |
| As at 31 March 2023 | 768.70 | 332.95 | 304.50 | 1,406.15 |
| As at 31 March 2024 | 704.22 | 1,944.42 | 359.68 | 3,008.32 |

Note 2 (c) : Capital work-in-progress

| Particulars | ₹ in Lakhs |
|---------------------|------------|
| | Total |
| As at 31 March 2023 | 290.53 |
| As at 31 March 2024 | 1,943.06 |

Capital work-in-Progress ageing schedule

| Capital Work-in-Progress | ₹ in Lakhs | | | | Total |
|--------------------------------|--|-----------|-----------|-------------------|----------|
| | Amount in Capital Work-in-Progress for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1,825.25 | 117.81 | - | - | 1,943.06 |
| | (290.53) | - | - | - | (290.53) |
| Projects temporarily suspended | - | - | - | - | - |
| | - | - | - | - | - |

Notes to the Consolidated Financial Statements

As at 31st March 2024

Footnotes:

- (i) Previous year's figures are in bracket.
- (ii) There were no material projects which have exceeded their original planned cost and timelines.
- (iii) The amount of borrowing cost capitalised during the year ended 31st March 2024: ₹ 44.54 lakhs (Previous Year ₹ 0.18 lakhs).

Note 2 (d) : Investment property

| Particulars | ₹ in Lakhs |
|---|------------|
| | Buildings |
| Gross Block | |
| Carrying value as at 31 March 2022 | 153.17 |
| Additions | - |
| Disposals | - |
| Carrying value as at 31 March 2023 | 153.17 |
| Additions | - |
| Disposals | - |
| Carrying value as at 31 March 2024 | 153.17 |
| Depreciation Block | |
| 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 |
| Depreciation / Amortisation for the year | 4.86 |
| Disposals | - |
| Accumulated depreciation / Amortisation as at the 31 March 2024 | 20.86 |
| Net Block | |
| As at 31 March 2023 | 137.17 |
| As at 31 March 2024 | 132.31 |

Footnote:

- (i) The amount of rental income from the investment property during the year ended 31st March 2024: ₹ 18.72 lakhs (Previous Year ₹ 18.72 lakhs)
- (ii) The fair value of investment property as at 31st March 2024: ₹ 121.90 lakhs (Previous Year ₹ 130.19 lakhs)

Note 2 (e) : Goodwill on consolidation

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Opening carrying value | 51.30 | 48.47 |
| Addition on acquisition (Refer note 31 p) | 3,983.04 | - |
| Exchange fluctuations | 0.35 | 2.83 |
| Closing carrying value | 4,034.69 | 51.30 |



Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 2 (f) : Other intangible assets

| Particulars | ₹ in Lakhs | | | | |
|---|-------------------|-------------|-----------------------------------|----------------------|-----------|
| | Computer Software | Brand value | Customer Network and relationship | Technical Know - how | Total |
| Gross Block | | | | | |
| 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 |
| Additions | 28.38 | - | - | - | 28.38 |
| Additions on Acquisition (Refer note 31 p) | - | 1,197.00 | 5,656.00 | 8,372.00 | 15,225.00 |
| Disposals | - | - | - | - | - |
| Exchange Fluctuations | 2.12 | - | - | - | 2.12 |
| Carrying value as at 31 March 2024 | 417.00 | 1,197.00 | 5,656.00 | 8,958.25 | 16,228.25 |
| Depreciation Block | | | | | |
| 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 |
| Disposals | - | - | - | - | - |
| Exchange Fluctuations | 8.60 | - | - | - | 8.60 |
| Accumulated depreciation / Amortisation as at 31 March 2023 | 287.35 | - | - | 358.88 | 646.23 |
| Depreciation / Amortisation for the year (Refer note 31 p) | 51.10 | - | - | 56.90 | 108.00 |
| Disposals | - | - | - | - | - |
| Exchange Fluctuations | 1.99 | - | - | - | 1.99 |
| Accumulated depreciation / Amortisation as at the 31 March 2024 | 340.44 | - | - | 415.78 | 756.22 |
| Net Block | | | | | |
| As at 31 March 2023 | 99.15 | - | - | 227.37 | 326.52 |
| As at 31 March 2024 | 76.56 | 1,197.00 | 5,656.00 | 8,542.47 | 15,472.03 |

Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 3

Other financial assets (Secured, considered good)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| At amortised cost | | | | |
| Security deposits | 216.90 | 72.71 | 2.98 | 3.21 |
| Bank deposits with more than 12 months maturity | 283.27 | 60.84 | - | - |
| Others: | | | | |
| Interest accrued on loans and deposits | - | - | 39.09 | 21.69 |
| Income receivable | - | - | 87.52 | 71.89 |
| Balance with Government authorities | - | - | 111.20 | 282.34 |
| Export benefit receivable (Duty drawback) | - | - | 2.52 | 10.61 |
| At Fair value through profit or loss (FVTPL) | | | | |
| Derivative Asset | - | - | 30.81 | 574.08 |
| Total | 500.17 | 133.55 | 274.12 | 963.82 |

Note 4

Deferred tax Assets - (Net)

₹ in Lakhs

| Particulars | Non-Current | |
|---------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Deferred tax assets | 11.01 | - |
| Total | 11.01 | - |

Note 5

Other assets (Unsecured, considered good unless otherwise stated)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Capital advances | 204.49 | 78.17 | - | - |
| Advances to employees | - | - | 47.45 | 13.78 |
| Advances to suppliers | - | - | 1,216.50 | 1,054.05 |
| Considered doubtful | - | - | 11.02 | 11.02 |
| Less:-Provision for doubtful advances | - | - | (11.02) | (11.02) |
| Sub Total | 204.49 | 78.17 | 1,263.95 | 1,067.83 |
| Others | | | | |
| Balance with Government authorities | - | - | 107.20 | 363.25 |
| Prepaid expenses | 0.18 | 0.18 | 716.29 | 516.32 |
| Others | - | - | 161.72 | 232.49 |
| Sub Total | 0.18 | 0.18 | 985.21 | 1,112.06 |
| Total | 204.67 | 78.35 | 2,249.16 | 2,179.89 |



Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 6

Inventories (at lower of cost & net realizable value)

| Particulars | ₹ in Lakhs | |
|-------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Raw materials | 16,147.18 | 14,433.84 |
| Work-in-progress | 12,857.64 | 10,829.97 |
| Finished goods | 1,379.75 | 815.21 |
| Stores and spares | 830.33 | 768.31 |
| Total | 31,214.90 | 26,847.33 |

Footnotes:

(i) Inventories includes goods in transit:

| Particulars | ₹ in Lakhs | |
|----------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Raw materials | 70.36 | - |
| Finished goods | 319.87 | 307.68 |

(ii) The cost of inventories expensed during the year includes ₹ Nil (Previous Year ₹ 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.

(iv) The cost of inventories recognised as expense during the year in respect of continuing operations was ₹ 46,682.54 Lakhs (Previous year ₹ 45,552.74 Lakhs)

Note 7

Trade receivables

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Trade receivables | | |
| Unsecured, considered good [refer footnote (a)] | 23,718.02 | 24,279.85 |
| Credit impaired | 75.98 | 63.67 |
| Less: Impairment provision on expected credit loss model | (75.98) | (63.67) |
| Total | 23,718.02 | 24,279.85 |

Footnotes:

(a) Of the above, trade receivable due from related party ₹ 440.82 lakhs (Previous Year ₹ 90.28 lakhs) (refer note no. 31 f)

(b) 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.

Notes to the Consolidated Financial Statements

As at 31st March 2024

Trade receivables ageing schedule

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total | ₹ in Lakhs |
|---|--------------------|--|-------------------|-----------------|---------------|-------------------|--------------------|-----------------------------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | | As at |
| | | | | | | | | 31 st March 2023 |
| Undisputed – considered good | 12,225.75 | 9,815.70 | 1,306.70 | 354.66 | 15.21 | - | 23,718.02 | |
| | (12,334.82) | (10,603.18) | (1,129.60) | (203.61) | (8.64) | - | (24,279.85) | |
| Undisputed - considered significant increase in credit risk | - | 11.28 | | 17.12 | 47.58 | - | 75.98 | |
| | - | (3.79) | (7.16) | (10.88) | (26.64) | (15.20) | (63.67) | |
| Less - Allowance for expected credit loss | - | 11.28 | - | 17.12 | 47.58 | - | 75.98 | |
| | - | (3.79) | (7.16) | (10.88) | (26.64) | (15.20) | (63.67) | |
| Total | 12,225.75 | 9,815.70 | 1,306.70 | 354.66 | 15.21 | - | 23,718.02 | |
| | (12,334.82) | (10,603.18) | (1,129.60) | (203.61) | (8.64) | - | (24,279.85) | |

Previous year's figures are in bracket

Note 8

Cash and cash equivalents (As per cash flow statement)

| Particulars | ₹ in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balances with banks (of the nature of cash and cash equivalents) | 3,325.03 | 264.25 |
| Cash on hand | 3.55 | 3.99 |
| Total | 3,328.58 | 268.24 |

Note 9

Bank balances other than cash and cash equivalents

| Particulars | ₹ in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Margin money deposits with bank (Under lien) | 1,092.18 | 1,240.61 |
| Unclaimed dividend account | 126.15 | 117.61 |
| Total | 1,218.33 | 1,358.22 |

Note 10

Loans

| Particulars | ₹ in Lakhs | |
|----------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Unsecured, considered good | | |
| Loans to employees | 23.91 | 23.58 |
| Total | 23.91 | 23.58 |



Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 11

Equity share capital

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Number | Amount | Number | Amount |
| Authorised share capital | | | | |
| Equity share of ₹ 2/- each [Previous year ₹ 2/- each] | 9,00,00,000 | 1,800.00 | 9,00,00,000 | 1,800.00 |
| Preference shares of ₹ 10/- each [Previous year ₹ 10/- each] | 26,00,000 | 260.00 | 26,00,000 | 260.00 |
| Issued, subscribed and fully paid-up equity share capital | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 1,365.31 |
| Reconciliation of number of equity share outstanding | | | | |
| Balance at the beginning of the year | 6,82,65,480 | 1,365.31 | 1,36,53,096 | 1,365.31 |
| Add: Increase in number of share on account of stock split [Refer footnote (b)] | - | - | 5,46,12,384 | - |
| Restated balance at the beginning of the year | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 1,365.31 |
| Balance at the end of the reporting year | 6,82,65,480 | 1,365.31 | 6,82,65,480 | 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 ₹ 2/- per share (Previous year ₹ 2/- 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) 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 ₹ 10/- per share to face value of ₹ 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 31(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 ₹ 2/- per equity shares.
- (c) The company has declared final dividend aggregating to ₹ 750.92 lakhs (₹ 1.10 per share) during the FY 2023-24 [Previous year ₹ 682.65 lakhs (₹ 5 per share)]

The details of shareholder holding more than 5% shares as at March 31, 2024 and March 31, 2023 are as follows :

| Name of the shareholder | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-----------------------------|-----------------------------------|--------|-----------------------------------|--------|
| | No. | % | No. | % |
| Himanshu Khushalbhair Patel | 1,69,78,535 | 24.87% | 1,79,78,535 | 26.34% |
| Nilesh Khushalbhair Patel | 1,71,86,114 | 25.18% | 1,81,95,635 | 26.65% |
| Harsh Himanshu Patel | 88,32,173 | 12.94% | 92,97,900 | 13.62% |

Notes to the Consolidated Financial Statements

As at 31st March 2024

The details of the shares held by promoters as at March 31, 2024 are as follows:

| Promoter name | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|---------------------------|-----------------------------------|-------------------|--------------------------|-----------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Promoter | | | | | | |
| Himanshu Khushalbai Patel | 1,69,78,535 | 24.87% | -5.56% | 1,79,78,535 | 26.34% | - |
| Nilesh Khushalbai Patel | 1,71,86,114 | 25.18% | -5.55% | 1,81,95,635 | 26.65% | - |
| Harsh Himanshu Patel | 88,32,173 | 12.94% | -5.01% | 92,97,900 | 13.62% | - |
| Aalap Nilesh Patel | 9,44,165 | 1.38% | - | 9,44,165 | 1.38% | - |
| Promoter Group | | | | | | |
| Priti Himanshubhai Patel | 46,350 | 0.07% | - | 46,350 | 0.07% | - |
| Kishoriben Nilesh Patel | 81,110 | 0.12% | - | 81,110 | 0.12% | - |
| Swara Rajeev Patel | 14,60,025 | 2.14% | - | 14,60,025 | 2.14% | - |
| | 4,55,28,472 | 66.69% | | 4,80,03,720 | 70.32% | |

Note 12

Other equity

| Particulars | ₹ in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| (i) Securities premium | 9,892.75 | 9,892.75 |
| (ii) General reserve | 8,540.05 | 7,540.05 |
| (iii) Capital reserve | 7,037.27 | 1.52 |
| (iv) Retained earnings | 12,375.99 | 11,491.00 |
| (v) Remeasurements of defined benefit plans | 260.49 | 310.43 |
| (vi) Capital redemption reserve | 150.00 | 112.50 |
| (vii) Foreign currency translation reserve | 774.23 | 672.02 |
| (viii) Equity component of compound financial interest | 1,246.53 | 1,209.03 |
| (ix) Preference share capital | 37.52 | 75.02 |
| Total other equity | 40,314.83 | 31,304.32 |

Note 13

Non controlling interest

| Particulars | ₹ in Lakhs | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Share of Non controlling Interest | 7990.21 | 13.26 |
| Total non controlling interest | 7,990.21 | 13.26 |

The movement in other equity is as follows:

(i) Securities premium

| | ₹ in Lakhs | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 9,892.75 | 9,892.75 |
| Movement during the year | - | - |
| Balance at the end of the year | 9,892.75 | 9,892.75 |



Notes to the Consolidated Financial Statements

As at 31st March 2024

(ii) General reserve

| | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 7,540.05 | 5,540.05 |
| Transferred from retained earning | 1,000.00 | 2,000.00 |
| Balance at the end of the year | 8,540.05 | 7,540.05 |

(iii) Capital reserve

| | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 1.52 | 1.52 |
| Movement during the year | 7,035.75 | - |
| Balance at the end of the year | 7,037.27 | 1.52 |

(iv) Retained earnings

| | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 11,491.00 | 7,229.78 |
| Transfer to capital redemption reserve | (37.50) | (37.50) |
| Profit for the year | 2,968.71 | 6,981.37 |
| Dividend | (750.92) | (682.65) |
| Transfer to general reserve | (1,000.00) | (2,000.00) |
| Impact on acquisition of Kinam Engineering Industries Private Limited | (295.30) | - |
| Balance at the end of the year | 12,375.99 | 11,491.00 |

(v) Remeasurements of defined benefit plans

| | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 310.43 | 150.00 |
| Other comprehensive income/(loss) for the year (net of tax) | (49.94) | 160.43 |
| Balance at the end of the year | 260.49 | 310.43 |

(vi) Capital redemption reserve

| | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 112.50 | 75.00 |
| Transferred from retained earning | 37.50 | 37.50 |
| Balance at the end of the year | 150.00 | 112.50 |

(vii) Foreign currency translation reserve

| | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 672.02 | (185.62) |
| Other comprehensive income/(loss) for the year (net of tax) | 102.21 | 857.64 |
| Balance at the end of the year | 774.23 | 672.02 |

Notes to the Consolidated Financial Statements

As at 31st March 2024

(viii) Equity component of compound financial interest

| | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 1,209.03 | 1,171.53 |
| Other adjustment | 37.50 | 37.50 |
| Balance at the end of the year | 1,246.53 | 1,209.03 |

(ix) Preference share capital

| | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 75.02 | 112.52 |
| Other adjustment | (37.50) | (37.50) |
| Balance at the end of the year | 37.52 | 75.02 |

(x) Non controlling insert

| | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Balance at the beginning of the year | 13.26 | 8.40 |
| Profit for the year | 1,120.15 | (0.72) |
| Other comprehensive income/(loss) for the year (net of tax) | (13.88) | - |
| (Withdrawal)/Contribution | (9.29) | 5.58 |
| On acquisition of Kinam Engineering Industries Private Limited | 6,879.97 | - |
| Balance at the end of the year | 7,990.21 | 13.26 |

Nature and purpose of each component of equity

(i) Securities premium

Amounts received in excess of par value on issue of shares is classified as securities premium.

(ii) 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.

(iii) Capital reserve

Amount pertaining to forfeiture of shares

(iv) Retained earnings

Accumulated balance of total comprehensive income for the year

(v) 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.

(vi) Capital redemption reserve

Capital redemption reserve is created by the company for redemption of preference share from its profits.



Notes to the Consolidated Financial Statements

As at 31st March 2024

(viii) Equity component of compound financial interest

The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument. Financial Liabilities are recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.

(ix) Preference share capital

18,75,152, 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each)

Note 14

Borrowings

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| NON CURRENT | | |
| Secured (At amortized cost) | | |
| Term loans | | |
| - from banks and financial institutions | 14,555.04 | 9,142.12 |
| - Interest accrued on term loan | 115.71 | 41.50 |
| Preference share liability | | |
| 18,75,152 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each) | - | 653.62 |
| Sub - Total | 14,670.75 | 9,837.24 |
| CURRENT | | |
| Secured (At amortized cost) | | |
| Current maturities of long-term debt | 4,011.66 | 4,339.97 |
| Loans repayable on demand | | |
| - from banks and financial institutions | 15,806.56 | 9,772.72 |
| Preference share liability (At amortised cost) | | |
| 18,75,152 9.50% redeemable preference shares of ₹ 2/- each (Previous year ₹ 4/- each) | 755.12 | 759.31 |
| Unsecured (At amortized cost) | | |
| Loan from directors (refer note no.31 f) | 503.14 | - |
| Loan from relatives of directors (refer note no.31 f) | 477.88 | - |
| Interest accrued on unsecured loan (refer note no.31 f) | 21.69 | - |
| Sub - Total | 21,576.05 | 14,872.00 |
| Total | 36,246.80 | 24,709.24 |

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 11.70% p.a. (March 31, 2023: 11.60% 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 9.90% p.a. (March 31, 2023: 8.40% p.a.) payable monthly.

Notes to the Consolidated Financial Statements

As at 31st March 2024

- 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 11.68% p.a. (March 31, 2023: 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 8.30% p.a. (March 31, 2023: 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, 2023: 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, 2023: 9.15%) payable monthly.
- 7) Term Loan from Axis Finance Ltd. is secured by first pari passu charge on the entire present and future movable and immovable fixed assets of the Company and second pari passu charge on the entire present and future current assets of Company. The Term Loan is repayable in 72 unequal monthly instalments commencing from March 2024 and carries an interest of 9.85 % p.a. (March 31, 2023: Nil) payable monthly.
- 8) 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, 2023: 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 9.00% p.a. [March 31, 2023: 9.43% p.a.] and for other facilities is SOFR plus 250 bps [March 31, 2023: SOFR 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 10.00% p.a. [March 31, 2023: 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,



Notes to the Consolidated Financial Statements

As at 31st March 2024

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 9.28% p.a. [March 31, 2023: 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 9.35% p.a. [March 31, 2023: 7.95% p.a.]
- 5) Purchase Bill Discounting/ Short Term Revolving Loan facility from Bajaj Finance Limited are secured by mortgage of certain immovable property(ies) owned by the Promoters and carries an interest of 9.35% p.a. (March 31, 2023: 9.5% p.a.) payable monthly.
- 6) 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, 2023: 9.25% p.a.]
- 7) Working capital facilities from YES Bank Limited are secured by 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 fixed assets of the Company. Collateral security over (i) Equitable mortgage of self occupied residential property situated at Flat no. B 804/803, 8th Floor, Dosti Elite CHS Ltd, land bearing no.404/6,404 A/6, Village Sion Division, Road no.29, Next to Sion Telephone exchange, Sion East, Mumbai 400002 Owned by Mr. Mehul Mehta and Mrs. Jyotsna Mehta. (ii) Office no.209, Champaklal Industrial Estate, Near Sion Telephone Exchange, Sion East, Mumbai-400022. (iii) Unit No. 809, 8th Floor, NCP Commercial Tower - Supremus, New Cuffe Parade, Mumbai. The rate of interest for cash credit is 9.60% p.a. (3.10% spread over & above EBLR).
- 8) Working capital facilities from State Bank of India are primarily secured by pari-passu hypothecation charge over stocks, raw material, semi finished goods, finished goods, receivables and other current assets of Company. Collateral security over residential property i.e. flat no. 3803, 38th floor, Tower B, Beaumonte, CTS No. 6 (part), Sion circle, Sion, Mumbai. Personal guarantee of Mr. Kirit Mehta and Mr. Mehul Mehta has been given as third party guarantee. The rate of interest for cash credit is 11.15% p.a. (2.50% spread over & above EBLR).
- 9) The unsecured loan taken from directors & shareholders are repayable on demand and carries interest rate of 10.00% p.a.
- 10) The quarterly statement of stock and book debtors filed by the Company with the banks are in agreement with the books of account and there are no material discrepancies.

List of immovable property of the Company is as under:

- 1 Plot No A/6, R.S. No 153, New Block No 140, Maroli to Ubhrat Road, Village Nanod, Maroli, Navsari.
- 2 Plot No 200, Village Nadod, Navsari, Block B-3, Navsari.
- 3 Block No. 200 Paiky, Plot No. B/1/4, Maroli To Ubhrat Road, Village Nanod, Maroli, Navsari.
- 4 Survey No-183/P1, Village Naroli, Silvassa.
- 5 Plot No. H 106, R S No. 1425/P, 1435/P, 1431/P, 1416/P and 1424/P, Vitthal Udyognagar Industrial Area, Village Mogri, Taluka Anand, District Kheda.
- 6 Plot No. I 107, 107/A and I-105, Revenue Survey No. 808/P, 809/P, 811/P, R S No. 426/P, 1427/P, 1428/P, 1429/P and 1430/P, Village Mogri, Taluka Anand, District Kheda.

Notes to the Consolidated Financial Statements

As at 31st March 2024

Note 15

Other financial liabilities (At Amortised cost)

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Unclaimed dividends | - | - | 126.15 | 117.61 |
| Others : | | | | |
| Security deposit | 0.75 | 1.03 | 0.60 | 0.62 |
| Employee related payable | - | - | 1,446.11 | 1,289.83 |
| Capital creditors | 1,490.93 | 2,047.71 | 753.43 | 678.53 |
| Total | 1,491.68 | 2,048.74 | 2,326.29 | 2,086.59 |

Note 16

Provisions

₹ in Lakhs

| Particulars | Non-Current | | Current | |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Provision for employee benefits | | | | |
| Gratuity | - | - | 218.13 | 140.65 |
| Leave benefits | 157.88 | 62.61 | 37.96 | 15.38 |
| Partial retirement | 287.92 | 293.34 | - | - |
| Other benefits | 67.19 | 63.08 | - | - |
| Pension | 585.24 | 574.93 | - | - |
| Provision for unexpired warranty | 127.66 | 199.82 | 302.37 | 314.75 |
| Provision for Fire protection | 852.13 | 655.03 | 293.21 | 291.22 |
| Other | 4.51 | 4.48 | 153.82 | 153.68 |
| Total | 2,082.53 | 1,853.29 | 1,005.49 | 915.68 |

Movement of provision for unexpired warranty

₹ in Lakhs

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Opening balance | 514.57 | 440.78 |
| Additions on Acquisition | 3.95 | - |
| Add: Additional provision made during the year | 162.64 | 189.30 |
| Less: Provision amount used during the year | 251.13 | 115.51 |
| Closing balance | 430.03 | 514.57 |



Notes to the Consolidated Financial Statements

As at 31st March 2024

Movement of provision for employee benefits

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Opening balance | 1,149.99 | 1,345.68 |
| Additions on Acquisition | 16.65 | - |
| Additional/(Deduction) provision made during the year | 252.92 | 45.29 |
| Less: Provision amount used during the year | 48.59 | 240.98 |
| Closing balance | 1,354.32 | 1,149.99 |

Note 17

Deferred tax liabilities - (Net)

| Particulars | ₹ in Lakhs | |
|--------------------------|--------------------------------------|--------------------------------------|
| | Non-Current | |
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Deferred tax liabilities | 1,479.59 | 1,768.83 |
| Deferred tax assets | (306.26) | (165.88) |
| Total | 1,173.33 | 1,602.95 |

| Particulars | As at 31 st March 2023 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | ₹ in Lakhs |
|--|--------------------------------------|--|--|--------------------------------------|
| | | | | As at 31 st March 2024 |
| Deferred tax assets/(liabilities) in relation to: | | | | |
| Provision for gratuity | 116.36 | (61.47) | - | 54.89 |
| Provision for Leave encashment | 1.04 | 48.25 | - | 49.29 |
| Depreciation and amortisation | (1,227.51) | 1.39 | - | (1,226.12) |
| Right-of-use and lease liability | 2.29 | 42.64 | - | 44.93 |
| Mark to market gains on mutual funds and derivative | (144.48) | 136.73 | - | (7.75) |
| Provision and current liabilities | 34.45 | 103.64 | - | 138.09 |
| Contract assets / contract liabilities | (383.39) | 135.71 | - | (247.68) |
| Allowance for doubtful debts and advances | 11.74 | 7.32 | - | 19.06 |
| Business loss | (13.45) | 15.41 | - | 1.96 |
| | (1,602.95) | 429.62 | - | (1,173.33) |
| Deferred tax assets/(liabilities) in relation to: | | | | |
| | | Assets | Liabilities | Net |
| Provision for gratuity | | 54.89 | - | 54.89 |
| Provision for Leave encashment | | 49.29 | - | 49.29 |
| Depreciation and amortisation | | - | (1,226.12) | (1,226.12) |
| Right-of-use and lease liability | | 44.93 | - | 44.93 |
| Mark to market gains on mutual funds and derivative | | - | (7.75) | (7.75) |
| Provision and current liabilities | | 138.09 | - | 138.09 |
| Contract assets / contract liabilities | | - | (247.68) | (247.68) |
| Allowance for doubtful debts and advances | | 19.06 | - | 19.06 |
| Business loss | | - | 1.96 | 1.96 |
| | | 306.26 | (1,479.59) | (1,173.33) |

Notes to the Consolidated Financial Statements

As at 31st March 2024

| Particulars | ₹ in Lakhs | | | |
|--|--------------------------------------|--|--|--------------------------------------|
| | As at 31 st March 2022 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31 st 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 | 1.65 | - | 11.74 |
| Business loss | - | (13.45) | - | (13.45) |
| | (1,181.17) | 239.66 | - | (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) |

Note 18

Trade payables

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | Non-Current | |
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Outstanding dues of micro enterprises and small enterprises | 1,126.42 | 126.18 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 9,934.38 | 11,351.96 |
| Total | 11,060.80 | 11,478.14 |
| Of the above; | | |
| - Acceptances | 421.17 | 1,816.12 |
| - Payable to related party ₹ 6.63 Lakhs (Previous year ₹ 2.93 Lakhs) (Refer note 31 f) | | |



Notes to the Consolidated Financial Statements

As at 31st March 2024

Trade payables ageing schedule

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------------|--|------------------|-----------------|-------------------|--------------------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | | ₹ in Lakhs | | | | |
| (i) MSME | 848.67 (126.18) | 277.75 | - | - | - | 1,126.42 (126.18) |
| (ii) Others | 6,269.84 (7,934.35) | 3,579.88 (3,361.28) | 61.94 (44.37) | 14.46 (4.46) | 8.26 (7.50) | 9,934.38 (11,351.96) |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total | 7,118.51 (8,060.53) | 3,857.63 (3,361.28) | 61.94 (44.37) | 14.46 (4.46) | 0.76 (7.50) | 11,060.80 (11,478.14) |

Previous year's figures are in bracket

Note 19

Other liabilities

| Particulars | Non-Current | | Current | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| | ₹ in Lakhs | | | |
| Contract liability (Advance from customers) | - | - | 10,746.34 | 9,133.41 |
| Statutory dues | - | - | 868.67 | 770.21 |
| Liabilities for expenses | - | - | 550.52 | 854.12 |
| Unamortised Government grant | 8.59 | 12.49 | 38.47 | - |
| Other | - | - | 72.98 | 61.67 |
| Total | 8.59 | 12.49 | 12,276.98 | 10,819.41 |

During the year ended 31st March, 2024, the company has recognised revenue of ₹ 11,667.61 lakhs (Previous Year ₹ 8,853.83 lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under:

| Particulars | ₹ in Lakhs | |
|---|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| As at beginning of the year | 9,133.41 | 9,174.83 |
| Recognised as revenue from contracts with customers | 11,667.61 | 8,853.83 |
| Advance from customers received during the year | 13,280.54 | 8,812.41 |
| Balance at the close of the year | 10,746.34 | 9,133.41 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Note 20

Revenue from operations

| Particulars | ₹ in Lakhs | |
|---------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Revenue from operations | | |
| Sale of goods | 94,784.58 | 91,077.49 |
| Sale of services | 1,399.72 | 1,299.58 |
| Other operating revenues: | | |
| - Scrap sales | 607.59 | 822.41 |
| - Miscellaneous | 0.13 | 2.82 |
| Total | 96,792.02 | 93,202.30 |

Footnote:

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

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Gross sales (Contracted price) | 94,880.73 | 91,114.07 |
| Reductions towards variable consideration (Discounts & delayed delivery charges) | 96.15 | 36.58 |
| Revenue recognised | 94,784.58 | 91,077.49 |

Note 21

Other income

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest income | 91.96 | 47.57 |
| Interest Income-ROU Security deposit | 2.51 | - |
| Rent income | 84.00 | 121.60 |
| Export incentives | 29.10 | 56.66 |
| Net gain on sale of investments | 26.83 | - |
| Net gain on foreign currency transaction | 75.67 | 242.74 |
| Gain on sale of property, plant and equipment | - | 25.88 |
| Warranty Provision Reversal | - | 22.73 |
| Unwinding of deferred income | 15.99 | 3.20 |
| Cessation of liability | 126.25 | 8.14 |
| Income from windmill | 152.28 | 92.98 |
| Miscellaneous income | 277.03 | 181.23 |
| Total | 881.62 | 802.73 |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Note 22

Cost of materials consumed

| Particulars | ₹ in Lakhs | |
|--------------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Opening stock of raw materials | 8,228.15 | 9,293.49 |
| Opening stock on Acquisition | 1,659.84 | - |
| Purchases during the year | 51,616.68 | 41,032.09 |
| Closing stock of raw materials | (16,147.18) | (8,228.15) |
| Total | 45,357.49 | 42,097.43 |

Note 23

Changes in inventories of finished goods and work-in-progress

| Particulars | ₹ in Lakhs | |
|----------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Opening stock: | | |
| Finished goods | 815.21 | 1,410.52 |
| Work-in-progress | 10,829.97 | 11,010.73 |
| On acquisition | 1,273.98 | - |
| | 12,919.16 | 12,421.25 |
| Less: Closing stock: | | |
| Finished goods | 1,379.76 | 815.21 |
| Work-in-progress | 12,857.64 | 10,829.97 |
| | 14,237.40 | 11,645.18 |
| Total | (1,318.24) | 776.07 |

Note 24

Employee benefits expense

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Salaries and wages | 16,994.93 | 14,172.89 |
| Contribution to provident, gratuity and other funds | 255.29 | 185.57 |
| Staff welfare expenses | 494.60 | 363.47 |
| Total | 17,744.82 | 14,721.93 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Note 25

Finance costs

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Interest on loans | 1,322.27 | 926.91 |
| Interest on working capital facilities | 1,318.30 | 757.17 |
| Interest on lease liabilities | 156.37 | 42.30 |
| Interest - others | 88.25 | 113.57 |
| Interest on unsecured loan | 41.53 | 10.17 |
| Exchange differences regarded as an adjustment to borrowing costs | 34.22 | 288.86 |
| Dividend on redeemable preference share | 4.46 | 8.01 |
| Other borrowing costs: | | |
| Unwinding of discount relating to long term liabilities | 92.57 | 157.62 |
| Total | 3,057.97 | 2,304.61 |

Note 26

Depreciation and amortisation expense

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Depreciation of property, plant and equipment | 2,125.14 | 1,893.58 |
| Depreciation of investment property | 4.86 | 4.85 |
| Amortisation of right-of-use assets | 393.06 | 264.75 |
| Amortisation of intangible assets | 108.00 | 106.70 |
| Total | 2,631.06 | 2,269.88 |

Note 27

Other expenses

| Particulars | ₹ in Lakhs | |
|------------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Stores and spares consumed | 2,643.29 | 2,679.24 |
| Power and fuel | 4,743.43 | 4,224.47 |
| Processing expenses | 6,516.35 | 6,189.69 |
| Rent | 164.29 | 104.29 |
| Rates and taxes | 137.55 | 266.10 |
| Insurance expenses | 325.52 | 280.74 |
| Printing and stationery | 101.66 | 79.93 |
| Repairs and renewals: | | |
| Buildings | 217.72 | 205.54 |
| Plant and machinery | 755.62 | 847.21 |
| Other assets | 52.39 | 66.49 |
| Travelling and conveyance | 746.37 | 510.01 |
| Communication expenses | 147.76 | 120.37 |
| Vehicle expenses | 202.37 | 172.93 |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Auditors' remuneration: | | |
| Statutory audit fees | 24.38 | 17.00 |
| Tax audit fees | 3.00 | 2.00 |
| Other fees | 4.61 | 4.10 |
| Director's sitting fee | 9.30 | 4.07 |
| Director's travelling | 5.36 | 29.72 |
| Sales promotion expenses | 261.02 | 115.81 |
| Bad debts written-off | 0.94 | 0.03 |
| Donation | 0.09 | 6.15 |
| Corporate social responsibility expenses | 221.50 | 138.40 |
| Security expenses | 76.98 | 81.70 |
| Commission | 638.63 | 839.84 |
| Freight and forwarding (Net) | 1,451.33 | 1,607.21 |
| Drawings and installation charges | 0.18 | 0.48 |
| Partners' remuneration | - | 3.00 |
| Laboratory expenses | 30.52 | 26.47 |
| Packing expenses | 432.29 | 482.76 |
| Pollution control expenses | 14.24 | 63.63 |
| Expected credit loss provision | 94.20 | 25.31 |
| Provision for Doubtful Advances | - | 11.02 |
| Bank charges | 230.67 | 186.83 |
| Net loss on foreign currency transaction | 266.14 | 62.13 |
| Loss on disposal/Impairment of property, plant and equipment | 238.95 | - |
| Legal and professional fees | 1,270.36 | 885.57 |
| Warranty expense (Refer note 16) | 162.64 | 189.30 |
| Miscellaneous expenses | 1,610.21 | 1,372.76 |
| Total | 23,801.86 | 21,902.30 |

Note 28

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.

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| Particulars | ₹ in Lakhs | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Interest bearing loans and borrowings | 36,246.80 | 24,709.24 |
| Less: Cash and short term deposits | 4,420.76 | 1,508.85 |
| Net debt | 31,826.04 | 23,200.39 |
| Equity | 1,365.31 | 1,365.31 |
| Other equity | 40,314.83 | 31,304.32 |
| Total capital | 41,680.14 | 32,669.63 |
| Capital and net debt | 73,506.18 | 55,870.02 |
| Gearing ratio % | 43.30% | 41.53% |

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:

| Particulars | ₹ in Lakhs | |
|----------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Fixed-rate instruments | | |
| Borrowings | 7,845.75 | 12,482.49 |
| Floating-rate instruments | | |
| Borrowings | 28,401.05 | 12,226.75 |

Fair value sensitivity analysis for floating-rate instruments

The Company accounts for floating-rate financial assets or financial liabilities at fair value through profit or loss.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2024 would have been decreased/increased by ₹ 224.19 lakhs (Previous Year ₹ 133.05 lakhs)



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

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:

| Particulars | ₹ in Lakhs | |
|--------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| More than 6 months | 1,676.57 | 1,341.85 |
| Others | 22,041.45 | 22,938.00 |
| | 23,718.02 | 24,279.85 |

The amounts reflected in the table above are not impaired as on the reporting date.

(c) Liquidity Risk Management :

Liquidity risk is defined as the risk that the 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| Particulars | Refer Note | ₹ in Lakhs | | | | |
|---------------------------------------|------------|--------------------------|------------------------|------------------------|-------------------|---|
| | | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | |
| Borrowings | 14 | 21,691.76 (14,913.50) | 8,760.73 (7,360.47) | 3,557.11 (2,435.27) | 2,237.20 | - |
| Trade payable | 18 | 10,976.14 (11,421.81) | 76.40 (48.83) | 8.26 (7.50) | - | - |
| Security deposit | 15 | 0.60 (0.62) | 0.75 (1.03) | - | - | - |
| Employee benefit/ expense liabilities | 15 | 1,446.11 (1,289.83) | - | - | - | - |
| Unclaimed dividends | 15 | 126.15 (117.61) | - | - | - | - |
| Others | 15 | 753.43 (678.53) | 1,490.93 | - | - | - |

Previous year's figures are in bracket

Note 29

THE INCOME TAX EXPENSES FOR THE YEAR CAN BE RECONCILED TO THE ACCOUNTING PROFIT AS FOLLOWS:

| Particulars | ₹ in Lakhs | |
|---|--|--|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Profit before tax from continuing operations | 5,867.71 | 9,932.81 |
| Income tax expenses calculated at 25.17% (31 March, 2023: 25.17%) (Company's domestic tax rate) | 1,476.90 | 2,500.09 |
| Differences in tax rates | 357.80 | 76.55 |
| Effect of income that is deductible/exempt from taxation | (654.85) | (424.74) |
| Effect of expenses not deductible for tax computation | 1,009.05 | 438.59 |
| Others | 11.25 | 2.72 |
| Changes in recognised deductible temporary differences | (421.29) | 358.95 |
| | 1,778.85 | 2,952.16 |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Note 30

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.

₹ in Lakhs

| As at 31 st March 2024 | 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 | - | - | 23,718.02 | 23,718.02 | - | - | 23,718.02 | 23,718.02 |
| Loans | 10 | - | - | 23.91 | 23.91 | - | - | 23.91 | 23.91 |
| Others financial assets | 3 | 30.81 | - | 743.48 | 774.29 | - | 30.81 | 743.48 | 774.29 |
| Cash and cash equivalents | 8 | - | - | 3,328.58 | 3,328.58 | - | - | 3,328.58 | 3,328.58 |
| Bank balances other than above | 9 | - | - | 1,218.33 | 1,218.33 | - | - | 1,218.33 | 1,218.33 |
| Total | | 30.81 | - | 29,032.32 | 29,063.13 | - | 30.81 | 29,032.32 | 29,063.13 |
| Financial liabilities | | | | | | | | | |
| Borrowings | 14 | - | - | 36,246.80 | 36,246.80 | - | - | 36,246.80 | 36,246.80 |
| Lease liabilities | | - | - | 2,715.10 | 2,715.10 | - | - | 2,715.10 | 2,715.10 |
| Trade Payables | 18 | - | - | 11,060.80 | 11,060.80 | - | - | 11,060.80 | 11,060.80 |
| Other financial liabilities | 15 | - | - | 3,817.97 | 3,817.97 | - | - | 3,817.97 | 3,817.97 |
| Total | | - | - | 53,840.67 | 53,840.67 | - | - | 53,840.67 | 53,840.67 |

₹ in Lakhs

| As at 31 st 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 | - | 523.29 | 1,097.37 | - | 574.08 | 523.29 | 1,097.37 |
| 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 | - | 26,453.18 | 27,027.26 | - | 574.08 | 26,453.18 | 27,027.26 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| | | Carrying amount | | | | Fair value | | | ₹ in Lakhs |
|-----------------------------|----------|-----------------|--------|------------------|------------------|---|---|---|------------------|
| As at | | | | | | | | | |
| 31 st March 2023 | 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 liabilities | | | | | | | | | |
| Borrowings | 14 | - | - | 24,709.24 | 24,709.24 | - | - | 24,709.24 | 24,709.24 |
| Lease liabilities | | - | - | 967.33 | 967.33 | - | - | 967.33 | 967.33 |
| Trade payables | 18 | - | - | 11,478.14 | 11,478.14 | - | - | 11,478.14 | 11,478.14 |
| Other financial liabilities | 15 | - | - | 4,135.33 | 4,135.33 | - | - | 4,135.33 | 4,135.33 |
| Total | | - | - | 41,290.04 | 41,290.04 | - | - | 41,290.04 | 41,290.04 |

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. Non current financial assets / liabilities measured at amortised cost.
2. 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.

NOTE 31

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings per share

| Particulars | ₹ in Lakhs | |
|---|--|--|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Profit after taxation | | |
| Profit / (Loss) for the year from continuing operations | 4,450.74 | 7,081.20 |
| Profit / (Loss) for the year from discontinued operations | (361.88) | (100.55) |
| Weighted average number of equity shares for the purpose of basic earnings per share (no. in lakhs) | 6,82,65,480 | 6,82,65,480 |
| EARNINGS PER EQUITY SHARE | | |
| a. From continuing operations | | |
| Basic | 6.52 | 10.37 |
| Diluted | 6.52 | 10.37 |
| b. From discontinued operations | | |
| Basic | (0.53) | (0.15) |
| Diluted | (0.53) | (0.15) |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

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 ₹ Nil (Previous Year ₹ 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) Other statutory information.

- (i) The Holding Company and Companies incorporated in India does not have any Benami property nor any proceeding has been initiated or pending against the companies.
- (ii) The Holding Company and Companies incorporated in India does not have any transactions with companies struck off.
- (iii) The Holding Company and Companies incorporated in India does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Holding Company and Companies incorporated in India has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Holding Company and Companies incorporated in India has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Holding Company and Companies incorporated in India has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the companies shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Holding Company and Companies incorporated in India has not recorded any transaction in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Holding Company and Companies incorporated in India has not been declared a wilful defaulter by any bank or financial institution or any of the lenders.

d) Exceptional item represents transaction cost related to the acquisition of a subsidiary during the year.

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

e) Disclosures as per IND AS - 19 - employee benefits

(A) In respect of the Company and domestic subsidiaries

The Holding Company and its domestic subsidiaries make contributions towards provident fund, in substance a defined contribution retirement plan to the Regional Provident Fund Commissioner for qualifying employees.

On account of the above contribution plans, the Holding Company and its domestic subsidiaries have recognised the following amounts in the statement of profit and loss:

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| i) Employer's contribution to provident fund (Refer footnote 1) | 154.14 | 118.90 |
| ii) Leave encashment - unfunded | 130.87 | 25.90 |

Footnote:

1) Included in "Contribution to provident, gratuity and other funds" (Note 24).

The Holding Company and its domestic subsidiaries make annual contributions to the Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees.

(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) Germany subsidiary Thaletec GmbH

Thaletec GmbH make contribution to retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees.

Pension plans and other post retirement benefit

The pension obligations of the company consist of two different pension commitments:

1. A direct commitment with reinsurance for two current managing directors.
2. A pension plan for all employees who were regular employees on January 1, 1997.

Plan assets

The plan assets consist of reinsurance policies to cover the benefit obligations. The fair value of the plan assets is derived from the actuarial reserve calculated at the end of the insurance period, but at least from the guaranteed surrender value.



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

C) The following tables set out the funded status and amounts recognised in the Group's Consolidated Financial Statements as at March 31, 2024 and March 31, 2023 for the Defined benefits plans:

i) Change in the Present Value of Defined Benefit Obligation

| Particulars | ₹ in Lakhs | | | |
|--|--------------------------------------|---------------|--------------------------------------|---------------|
| | As at 31 st March 2024 | | As at 31 st March 2023 | |
| | Funded | Unfunded | Funded | Unfunded |
| Present value of obligation as at the beginning | 1,389.79 | 356.43 | 1,612.78 | 379.98 |
| Additions on Acquisition | 53.16 | - | - | - |
| Interest expense or cost | 73.39 | 11.11 | 49.71 | 3.11 |
| Current service cost | 83.19 | 69.40 | 80.67 | 90.61 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | | |
| - Demographic assumptions | - | - | (34.32) | - |
| - Change in financial assumptions | 66.61 | 2.68 | (283.10) | (29.25) |
| - Experience variance | 10.12 | 29.97 | 21.94 | 1.96 |
| Benefits paid | (75.43) | (108.54) | (57.89) | (89.98) |
| Present value of obligation as at the end | 1,600.83 | 361.05 | 1,389.79 | 356.43 |

ii) Changes in the fair value of plan assets

| Particulars | ₹ in Lakhs | | | |
|---|--------------------------------------|----------|--------------------------------------|----------|
| | As at 31 st March 2024 | | As at 31 st March 2023 | |
| | Funded | Unfunded | Funded | Unfunded |
| Fair value of plan assets as at the beginning | 673.46 | - | 673.75 | - |
| Additions on Acquisition | 42.02 | - | - | - |
| Investment income | 43.73 | - | 30.85 | - |
| Return on plan assets excluding interest income | (11.33) | - | (52.06) | - |
| Employer's contribution | 104.11 | - | 52.04 | - |
| Benefits paid | (48.59) | - | (31.12) | - |
| Fair value of plan assets as at the end | 803.40 | - | 673.46 | - |

iii) Expenses recognised in the income statement

| Particulars | ₹ in Lakhs | | | |
|--|---|--------------|---|--------------|
| | Year ended 31 st March 2024 | | Year ended 31 st March 2023 | |
| | Funded | Unfunded | Funded | Unfunded |
| Current service cost | 83.19 | 69.40 | 80.67 | 90.61 |
| Net interest cost on the net defined benefit liability | 29.66 | 11.11 | 18.86 | 3.11 |
| Expenses recognised in the income statement | 112.85 | 80.51 | 99.53 | 93.72 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

iv) Other comprehensive income

| Particulars | Year ended 31 st March 2024 | | Year ended 31 st March 2023 | |
|--|---|----------|---|----------|
| | Funded | Unfunded | Funded | Unfunded |
| | ₹ in Lakhs | | | |
| Actuarial (gains) / losses | | | | |
| - Demographic assumptions | - | - | 34.32 | - |
| - Change in financial assumptions | (85.07) | - | 272.14 | - |
| - Experience variance | (2.62) | - | (22.50) | - |
| Adjustment of present value of obligation at the beginning of the year | 21.75 | - | (41.27) | - |
| Return on plan assets excluding interest income | (20.56) | - | (8.56) | - |
| Net (Income)/Expense for the year recognized in OCI | (86.50) | - | 234.13 | - |

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

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|--|--------------------------------------|---------|--------------------------------------|---------|
| | India | Germany | India | Germany |
| | ₹ in Lakhs | | | |
| Funds managed by insurer | 100% | 100% | 100% | 100% |
| Investment in insurance Company | | | | |
| Life Insurance Corporation of India | 31% | - | 15% | - |
| Reliance (Nippon Life insurance) | 24% | - | 35% | - |
| Bajaj Allianz | 45% | - | 50% | - |
| Allianz | - | 100% | - | 100% |

vi) Actuarial assumptions

a. Financial assumptions

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

| Particulars | Year | ₹ in Lakhs | | | |
|---------------------------|-----------------------------------|----------------|----------|---------|--------------|
| | | India | | Germany | |
| | | Funded | Unfunded | Funded | Unfunded |
| Discount rate (per annum) | As at 31 st March 2024 | 7.19% & 7.18% | | - | 3.30% |
| | As at 31 st March 2023 | 7.35% | | - | 3.65% & 1.7% |
| Salary growth rate | As at 31 st March 2024 | 7.00% & 10.00% | | - | 2.00% |
| | As at 31 st March 2023 | 7.00% | | - | 2.00% |

b. Demographic Assumptions

| Particulars | Year | ₹ in Lakhs | | | |
|-------------|-----------------------------------|--|----------|----------------------------|----------|
| | | India | | Germany | |
| | | Funded | Unfunded | Funded | Unfunded |
| Mortality | As at 31 st March 2024 | Indian Assured Lives Mortality 2012-14 (Urban) | | Richttafeln Heubeck 2018 G | |
| | As at 31 st March 2023 | Indian Assured Lives Mortality 2012-14 (Urban) | | Richttafeln Heubeck 2018 G | |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| Particulars | Year | ₹ in Lakhs | | | |
|---|-----------------------------------|------------|----------|---------|----------|
| | | India | | Germany | |
| | | Funded | Unfunded | Funded | Unfunded |
| Withdrawal rates, based on age: (per annum) | | | | | |
| For service 4 years and below | As at 31 st March 2024 | 20.00% | - | | |
| For service 5 years and above | | 10.00% | - | | |
| For service 4 years and below | As at 31 st March 2023 | 20.00% | - | | |
| For service 5 years and above | | 10.00% | - | | |

vii) Amount, timing and uncertainty of future cash flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | ₹ in Lakhs | |
|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Defined Benefit Obligation (Base) | 1,961.88 | 1,746.22 |

Impact on defined benefit obligation due to change in assumptions as at 31st March 2024

| Assumptions | ₹ in Lakhs | | | | | |
|-------------------------------|----------------------|----------|--|----------|-----------------------|----------|
| | HLE Glascoat Limited | | Kinam Engineering Industries Private Limited | | Germany Thaletec GmbH | |
| | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate | | | | | | |
| 1% Change | 33.77 | (30.15) | 5.08 | (4.54) | - | - |
| 0.5% Change | - | - | - | - | 65.99 | (59.70) |
| Salary Growth Rate | | | | | | |
| 1% Change | (29.09) | 31.78 | (4.30) | 4.59 | - | - |
| 0.25% Change | - | - | - | - | (23.76) | 24.75 |
| Employee Turnover Rate | | | | | | |
| 1% Change | 0.12 | (0.20) | 1.21 | (1.13) | (30.17) | 30.98 |

Impact on defined benefit obligation due to change in assumptions as at 31st March 2023

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

| Assumptions | ₹ in Lakhs | | | | | |
|-------------------------------|----------------------|----------|--|----------|-----------------------|----------|
| | HLE Glascoat Limited | | Kinam Engineering Industries Private Limited | | Germany Thaletec GmbH | |
| | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate | | | | | | |
| 1% Change | 28.63 | (25.54) | NA | NA | 59.75 | (54.01) |
| 0.5% Change | - | - | - | - | - | - |
| Salary Growth Rate | | | | | | |
| 1% Change | (25.25) | 27.31 | NA | NA | - | - |
| 0.25% Change | - | - | - | - | (21.30) | 22.17 |
| Employee Turnover Rate | | | | | | |
| 1% Change | (0.04) | (0.05) | NA | NA | (25.93) | 26.49 |

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.

b. Effect of Plan on Entity's Future Cash Flows

-Funding arrangements and Funding Policy

The scheme is managed on funded basis.

| Particulars | ₹ in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| The Company's best estimate of Contribution during the next year | 255.31 | 261.05 |

| Expected cash flows over the next (valued on undiscounted basis) | ₹ in Lakhs | | | |
|--|-----------------------------------|---------|-----------------------------------|---------|
| | As at 31 st March 2024 | | As at 31 st March 2023 | |
| | India | Germany | India | Germany |
| 1 year | 86.71 | - | 92.54 | - |
| 2 to 5 years | 316.83 | - | 225.65 | - |
| 6 to 10 years | 289.31 | - | 215.35 | - |
| 11 and above years | 358.06 | - | 313.90 | - |

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 (Whole time Director)

Mr. Achal Thakkar (Company Secretary & Compliance Officer)

Mr. Naveen Kandpal (Chief Financial Officer)

Dr. Jürgen Reinemuth (Managing Director) of THALETEC GmbH

Alexander Barkow (Managing Director) of THALETEC GmbH

Mehul K. Mehta (Managing Director) of Kinam Engineering Industries Private Limited



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Non-Executive Directors / Independent

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

Relatives of Key Management Personnel : Swara R. Patel (daughter of Mr. Himanshu K. Patel)
 Priti H. Patel (spouse of Mr. Himanshu K. Patel)
 Sahil H. Patel (son of Himanshu K. Patel)
 Poonam H. Patel (daughter of Himanshu K. Patel)
 Hitesh C. Patel (brother in law of Mr. Himanshu K. Patel)
 Bhoomi A. Patel (spouse of Aalap N. Patel)
 Kishori N. Patel (spouse 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)
 Kirit N Mehta (father of Mehul K. Mehta)
 Jyotnsa K Mehta (mother of Mehul K. Mehta)
 Neeta M Mehta (spouse of Mehul K. Mehta)

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)

| Nature of Transactions | ₹ in Lakhs | | | |
|------------------------------------|---|---|---------------------------------------|--------------------------------------|
| | Transactions | | Payable/(Receivable)/Closing Balances | |
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Key management personnel : | | | | |
| Remuneration [refer foot note (i)] | 1,002.40 | 898.10 | 32.73 | 26.48 |
| Commission | 42.60 | 69.24 | 24.60 | 45.48 |
| Rent expense | 41.17 | 36.96 | 3.12 | - |
| Dividend (Equity shares) | 510.58 | 464.16 | - | - |
| Dividend (Preference shares) | - | - | - | - |
| Interest on unsecured loan | 12.52 | - | 11.27 | - |
| Unsecured loan | - | - | 503.14 | - |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

₹ in Lakhs

| Nature of Transactions | Transactions | | Payable/(Receivable)/Closing Balances | |
|---|---|---|---------------------------------------|--------------------------------------|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Relatives of KMP : | | | | |
| Dividend (Equity shares) | 17.46 | 15.87 | - | - |
| Dividend (Preference shares) | 0.22 | 0.32 | - | - |
| Sitting fee | 9.30 | 4.07 | - | - |
| Rent expense | 3.77 | 3.00 | 0.27 | - |
| Purchase of goods/services | 12.42 | 10.80 | 3.24 | 2.43 |
| Redemption of Preference Shares | 22.61 | 22.61 | | |
| Remuneration | 12.50 | - | 4.17 | |
| Interest on unsecured loan | 11.59 | - | 10.43 | |
| Unsecured loan | 150.00 | - | 477.88 | |
| Entities in which directors are interested: | | | | |
| Sales of goods/services | 972.06 | 555.76 | (440.82) | (90.28) |
| Purchase of goods/services | 14.99 | 14.93 | - | 0.50 |
| Contribution towards Corporate Social Responsibility | 221.50 | 104.50 | - | - |
| Entities in which relatives of KMP are interested: | | | | |
| Loan repaid | - | 150.00 | - | - |
| Sales of Property, plant and equipment | - | 410.00 | - | - |
| Sales of goods/services | - | 37.60 | | 44.36 |
| Gratuity fund | | | | |
| Contribution | 40.00 | 24.12 | - | - |
| Plan assets as at the end | - | - | 375.76 | 375.96 |

Footnotes:

- i) Remuneration does not include provisions made for Gratuity and Leave benefits amounting to ₹ 28.69 Lakhs (Previous year ₹ 21.69 Lakhs)
- 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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: ₹ 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 three segment viz. (i) Filtration, Drying and Other Equipment (ii) Glass Lined Equipment (iii) Heat Transfer 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".



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

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:

| Particulars | ₹ in Lakhs | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| | Filtration, drying and other equipment | | Glass lined equipment | | Heat transfer equipment | | Total | |
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 | Year ended 31 st March 2024 | Year ended 31 st March 2023 | Year ended 31 st March 2024 | Year ended 31 st March 2023 | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Revenue : | | | | | | | | |
| External sales | 37,366.66 | 34,418.83 | 49,675.65 | 57,907.86 | 8,869.59 | - | 95,911.90 | 92,326.69 |
| Other | | | | | | | 880.12 | 875.61 |
| Total external sales | | | | | | | 96,792.02 | 93,202.30 |
| Segment results : | | | | | | | | |
| Profit before tax and interest | 5,135.21 | 4,442.90 | 2,900.08 | 8,063.98 | 2,160.27 | - | 10,195.56 | 12,506.88 |
| Less: Other unallocable expense net of unallocable income | | | | | | | 1,269.88 | 269.46 |
| Less: Interest expense | | | | | | | 3,057.97 | 2,304.61 |
| Profit before tax | | | | | | | 5,867.71 | 9,932.81 |
| Taxes | | | | | | | 1,778.85 | 2,952.16 |
| Net profit after tax | | | | | | | 4,088.86 | 6,980.65 |
| Segment assets | 41,397.09 | 32,410.58 | 55,949.99 | 53,181.17 | 20,948.39 | - | 1,18,295.47 | 85,591.75 |
| Unallocated segment assets | | | | | | | 1,900.22 | 3,855.75 |
| Total assets | | | | | | | 1,20,195.69 | 89,447.50 |
| Segment liabilities | 7,367.49 | 7,390.41 | 22,015.62 | 23,819.76 | 6,165.69 | - | 35,548.80 | 31,210.17 |
| Unallocated segment liabilities | | | | | | | 34,976.54 | 25,554.44 |
| Total liabilities | | | | | | | 70,525.34 | 56,764.61 |
| Capital expenditure | 688.69 | 1,195.12 | 3,782.55 | 5,707.81 | 138.61 | - | 4,609.85 | 6,902.93 |
| Depreciation | 704.25 | 663.90 | 1,711.01 | 1,545.05 | 164.17 | - | 2,579.43 | 2,208.95 |
| Unallocated depreciation | | | | | | | 51.63 | 60.93 |
| Total Depreciation | | | | | | | 2,631.06 | 2,269.88 |

| Particulars | ₹ in Lakhs | |
|------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Capital employed | 49,670.35 | 32,682.89 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

Geographical information

| Particulars | ₹ in Lakhs | |
|---------------------------------|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Geographical information | | |
| Revenue from customers | | |
| India | 65,730.41 | 61,556.43 |
| Outside India | 31,061.61 | 31,645.87 |
| Total | 96,792.02 | 93,202.30 |

Footnote:

a) 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 (₹ 6,086.64 lakhs during CY and ₹ 10,466.60 PY).

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

| Particulars | ₹ in Lakhs | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Opening Balance | 967.33 | 980.91 |
| Additions during the year | 233.11 | 199.49 |
| Additions due to Acquisition | 1,802.53 | - |
| Finance costs incurred during the year | 156.37 | 42.30 |
| Payments of Lease Liabilities | (444.24) | (255.37) |
| Closing Balance | 2,715.10 | 967.33 |

(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

| Particulars | ₹ in Lakhs | |
|--|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Expenses related to Short Term Lease & Low Asset Value Lease | 164.29 | 104.29 |
| Total Expenses | 164.29 | 104.29 |

(iv) Maturity analysis of lease liabilities

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Maturity Analysis of contractual undiscounted cash flows | | |
| Less than one year | 348.01 | 230.57 |
| One to five years | 1,109.99 | 489.43 |
| More than five years | 1,257.10 | 247.33 |
| Total undiscounted Lease Liability | 2,715.10 | 967.33 |
| Balances of Lease Liabilities | | |
| Non Current Lease Liability | 2,367.09 | 736.76 |
| Current Lease Liability | 348.01 | 230.57 |
| Total Lease Liability | 2,715.10 | 967.33 |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

i) Disclosure regarding derivative instruments and unhedged foreign currency exposure :

₹ in Lakhs

| Particulars | Year | As at | | As at | |
|--|------|-------------------------------|----------------------------|-------------------------------|----------------------------|
| | | 31 st March 2024 | | 31 st March 2023 | |
| | | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees |
| Foreign Currency Loan | USD | 65.11 | 5,430.87 | 88.79 | 7,296.07 |
| Contract liability (Advance from customers) | USD | 1.74 | 144.50 | 3.41 | 276.71 |
| | EUR | 0.03 | 2.77 | 0.33 | 29.74 |
| Trade Payables | USD | 4.95 | 413.10 | 0.86 | 70.84 |
| | EUR | 2.01 | 181.72 | 0.65 | 58.25 |
| Trade Receivables | USD | 3.02 | 252.08 | 4.51 | 367.64 |
| | EUR | 4.36 | 393.68 | 2.82 | 252.47 |
| Derivative Asset | USD | 0.37 | 30.81 | 6.99 | 574.08 |
| EEFC Accounts / | USD | 6.17 | 514.14 | 0.16 | 12.96 |
| Cash & Cash Equivalents | EUR | 5.71 | 515.52 | - | - |
| Advances to suppliers | USD | 1.16 | 97.48 | 5.15 | 425.07 |
| | EUR | 0.27 | 24.89 | 0.13 | 11.83 |
| | GBP | 0.11 | 11.20 | - | - |
| | CHF | - | - | 0.00 | 0.41 |

j) Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

₹ in Lakhs

| 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 | ₹ in lakhs | As % of consolidated profit or loss | ₹ in lakhs | As % of consolidated other comprehensive income | ₹ in lakhs | As % of consolidated total comprehensive income | ₹ in lakhs |
| | | | | | | | | | |
| | Parent | | | | | | | | |
| | HLE Glascoat Limited | 51.92% | 34,772.99 | 47.34% | 2,663.84 | 50.81% | (32.43) | 47.30% | 2,631.41 |
| | Subsidiaries | | | | | | | | |
| | Indian subsidiary | | | | | | | | |
| 1 | THALETEC (previously known as HL Equipments) | 0.40% | 264.61 | -0.32% | (18.14) | 0.00% | - | -0.33% | (18.14) |
| 2 | Kinam Engineering Industries Private Limited | 34.44% | 23,063.46 | 25.14% | 1,414.43 | 33.75% | (21.54) | 25.04% | 1,392.89 |
| 3 | Kinam Enterprise Private Limited | 1.31% | 878.06 | 3.73% | 209.92 | - | - | 3.77% | 209.92 |
| | Foreign subsidiary | | | | | | | | |
| 1 | Thaletec GmbH | 11.49% | 7,692.92 | 23.91% | 1,345.34 | 15.43% | (9.85) | 24.01% | 1,335.49 |
| 2 | Thaletec Inc, USA | 0.44% | 297.92 | 0.20% | 11.46 | - | - | 0.21% | 11.46 |
| | | 100% | 66,969.96 | 100.00% | 5,626.85 | 100.00% | (63.82) | 100.00% | 5,563.03 |
| a) | Non-controlling Interests | | | | | | | | |
| | Indian subsidiary | | | | | | | | |
| | THALETEC (previously known as HL Equipments) | | (3.82) | | 0.18 | | - | | 0.18 |
| | Kinam Engineering Industries Private Limited | | (7,112.73) | | (911.46) | | 13.88 | | (897.58) |
| | Kinam Enterprise Private Limited | | (873.66) | | (208.87) | | - | | (208.87) |
| | Foreign subsidiary | | | | | | | | |
| | Thaletec GmbH | | - | | - | | - | | - |
| | Thaletec Inc, USA | | - | | - | | - | | - |
| | | | (7,990.21) | | (1,120.15) | | 13.88 | | (1,106.27) |
| b) | Adjustments arising out of Consolidation | | (17,299.61) | | (1,537.99) | | 102.21 | | (1,435.78) |
| | Consolidated | | 41,680.14 | | 2,968.71 | | 52.27 | | 3,020.98 |

Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

k) Commitment

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for ₹ 1,430.00 lakhs (Previous Year ₹ 408.51 lakhs)
- (ii) Letters of credit issued by the banks ₹ 310.51 lakhs (Previous Year ₹ 2,185.62 lakhs)

l) Contingent Liabilities not provided for:

- (i) Claims not acknowledged as debts:
 - (a) Disputed Service Tax for the period 2008 to 2013 is ₹ 16.47 lakhs (Previous Year ₹ 16.47 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 5.19 lakhs (Previous Year ₹ 5.19 lakhs).
 - (b) Disputed Service Tax for the period 2012 to 2015 is ₹ 29.07 lakhs (Previous Year ₹ 29.07 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 5.09 lakhs (Previous Year ₹ 5.09 lakhs).
 - (c) Disputed Service Tax for the period 2013 to 2017 is ₹ 22.92 lakhs (Previous Year ₹ 22.92 lakhs) pending before CESTAT, against which the Company has made payment of ₹ 4.01 lakhs (Previous Year ₹ 4.01 lakhs).
 - (d) There is a pending litigation against the Company for compensation of loss of profit of ₹ 500.00 lakhs. The Court has decided the judgment in favour of the Company during the year.

m) Discontinued Operations:

i) Description of Discontinued Operations:

- (i) The Company had chemical manufacturing operations at Plot No.B-1,B-3,B-4 & A-7, Maroli Udyognagar, 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 and completed the process on March 31, 2024.

ii) Business or Geographical segment:

The Discontinued Unit was engaged in the business of chemicals and had business establishment only in India.

iii) Details of Property, Plant and Equipment are as under:

| Fixed Assets | ₹ in Lakhs | |
|---------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Building | - | - |
| Plant & Machinery | - | 703.33 |
| Total Assets | - | 703.33 |



Notes to the Consolidated Financial Statements

For the Year Ended 31st March 2024

- iv) The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinued operations during the current financial reporting year are as under :

| Particulars | ₹ in Lakhs | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Revenue from operations | 802.37 | 875.61 |
| Other income | 0.18 | 51.00 |
| Depreciation on Assets | 51.63 | 60.93 |
| Loss on Impairment of property, plant and equipment | 204.65 | - |
| Other Expenses | 908.15 | 966.23 |
| Loss before tax | (361.88) | (100.55) |

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

- n) The amount due and paid during the year to “Investor Education and Protection Fund” is ₹ 16.01 lakhs (Previous Year: ₹ 17.43 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 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:

| Particulars | ₹ in Lakhs | |
|--|--|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| i) Amount required to be spent by the Company during the year | 136.50 | 137.80 |
| ii) Amount of expenditure incurred | - | - |
| (a) Construction/acquisition of any asset | - | - |
| (b) On purposes other than (a) above | 221.50 | 138.40 |
| iii) Shortfall/(excess) at the end of the year | (85.00) | (0.60) |
| 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 Accounting Standard(1) | 221.50 | 104.50 |
| 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 Consolidated Financial Statements

For the Year Ended 31st March 2024

- p) The Company on 26th September 2023, had completed the acquisition of 35.56% profit share with a controlling interest in Kinam Engineering Industries (a partnership firm).

A Business Succession Agreement and a Shareholders Agreement was executed on 10th January 2024 to be effective from 1st January, 2024 between Kinam Engineering Industries, its partners and Kinam Engineering Industries Private Limited (KEIPL), a company incorporated on 9th October, 2023, for the business succession and functioning of KEIPL. On the Business Succession date all the assets were transferred to KEIPL at cost and post business succession a purchase price allocation was carried out which resulted into an increase in value of tangible assets by an amount ₹ 251 lakhs, intangible assets by an amount of ₹ 15,195 lakhs respectively and also goodwill amounting to ₹ 3,983.04 lakhs is also recognised. These intangible assets are considered to have infinite useful life and will be subject to impairment testing annually.

- q) **Subsequent events post balance sheet**

- i) The Board has recommended a dividend @ 55 % (₹ 1.10) per equity share and declared a dividend @ 9.5 % (₹ 0.19) per preference share at its meeting held on 27th May 2024.

- r) 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

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

For and on behalf of the board

Himanshu Patel
Managing Director
DIN - 00202312

Achal Thakkar
Company Secretary
ACS 30459

Silvassa, Dadra & Nagar Haveli, Dated May 27, 2024

Aalap Patel
Director
DIN - 06858672

Naveen Kandpal
Chief Financial Officer
ACA 406038



HLE Glascoat Limited

Registered Office:
H - 106, G.I.D.C. Estate,
Vitthal Udyognagar - 388121.
Dist. Anand, Gujarat, INDIA