

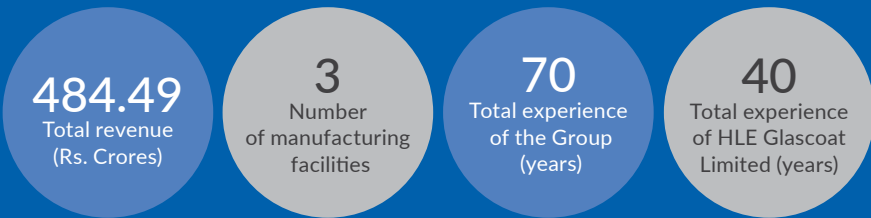


**Building
on Values!**

PASSION | EXCELLENCE | INTEGRITY

Contents

Corporate Overview	1-22	Financial Statements	105-210
Building on Values	1	<u>Standalone:</u>	
Company Overview	2	Independent Auditor's Report	106
Chairperson's Message	10	Balance Sheet	114
Key Performance Indicators	12	Statement of Profit and Loss	115
Corporate Strengths	14	Statement of Changes in Equity	116
Corporate Information	22	Statement of Cash Flow	119
		Notes to the Standalone Ind AS	121
Statutory Reports	23-104	<u>Consolidated:</u>	
Notice	24	Independent Auditor's Report	160
Board Report	41	Standalone Balance Sheet	166
Business Responsibility Report	60	Statement of Profit and Loss	167
Corporate Governance Report	68	Statement of Changes in Equity	168
Management Discussion and Analysis	95	Statement of Cash Flow	171
		Notes to the Consolidated Ind AS	173



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



PG 2

Company Overview

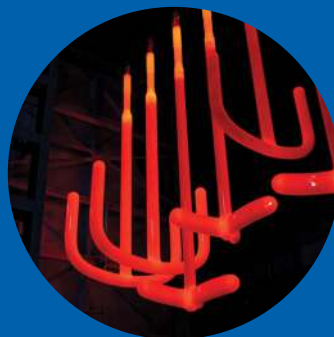
HLE Glascoat Limited is one of the most renowned process equipment manufacturers for chemical and pharmaceutical sectors in India.



PG 10

Chairperson's Message

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



PG 14

Strengths

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

Building on Values!



PASSION



EXCELLENCE



INTEGRITY

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

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

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

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



Company Overview

A Name That Resonates Dominance

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

About us

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

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

Ethos

Vision

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

Mission

To provide world class affordable engineering solutions through constant innovation.

Values

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



Clientele





Company Overview (contd.)

An Equipment for Every Process

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

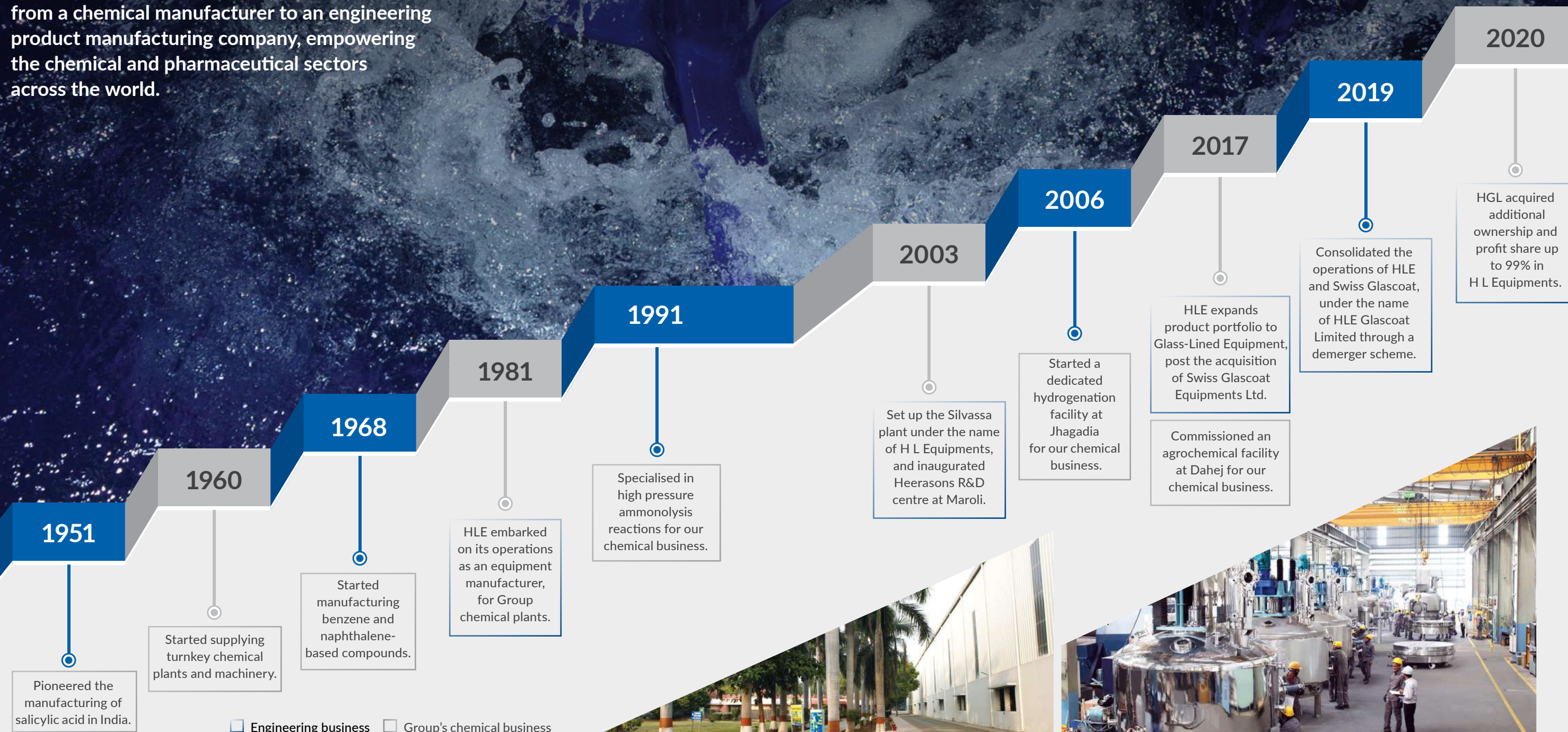
Product categories	Products	Downstream utilisation	Product categories	Products	Downstream utilisation
Filtration and drying equipment We offer a range of equipment for filtration and drying of chemical products. These equipment are engineered to cater to specific process needs of our customers.	Agitated Nutsche Filter-Dryers (ANFD) This is a versatile solid-liquid separation equipment that can filter, wash, re-slurry and dry the product in a single charge, and in a fully enclosed vessel. Rotary Vacuum Paddle Dryers (RVPD) This equipment is used to obtain dry powder from a wet cake or solution, wherein the powder is dried in batches under vacuum, thus, ensuring the process is economical. Kilo-Lab Filter Dryers This equipment is a scale portable filter-dryer for new-age chemical manufacturers, ensuring filtration, washing and drying of the product in a single charge without transfer.	<ul style="list-style-type: none">• Agrochemicals• Speciality and fine chemicals• Dyes and intermediates• Active pharmaceutical ingredients• Pharmaceutical• Nutraceutical• Food	Exotic Metal Equipment Leveraging our rich experience in handling exotic materials, we are the preferred suppliers of equipment made from such metals	We manufacture a range of tailor-made exotic metal equipment, on the back of our experience in handling exotic materials such as Hastelloy® C-276, C-22 and C-2000, Inconel, Monel, Nickel and Titanium. We have the capacity to manufacture equipment with a thickness up to 75 millimetres, with a diameter up to 4.5 metre, and weighing up to 60 MT.	<ul style="list-style-type: none">• Agrochemicals• Speciality and fine chemicals• Dyes and intermediates• Bulk chemicals• Pharmaceutical• Oil and gas• Mineral processing• Aerospace• Marine
Glass-Lined Equipment We service our customers with an array of glass-lined equipment for applicability across various processes, ranging from storage, reaction and heat transfer to filtration or drying.	Glass-Lined Reactors These are user-friendly reactors, built in accordance with DIN 28136 standards, with a range between 63 and 50,000 litres. Glass-Lined Storage Vessels & Receivers These are horizontal and vertical storages which act like tanks, receivers and application specific tanks such as Bromine Storage tanks. Such tank sizes range between 50 and 65,000 litres. Glass-Lined Heat Exchangers Such heat exchangers are used in plate type and shell-in-shell type constructions, and are available with a heat transfer area of 4 and 10 square metres. These heat exchangers offer greater durability and maintenance-free service compared to other heat exchangers used in corrosive applications. Glass-Lined Columns We have the capacity of manufacturing such columns up to the diameter of 2.4 metres and a length up to 6 metres. With a dedicated infrastructure to manufacture columns, and with over 500 successful installations across the country, we are undisputed leaders in glass-lined columns in India.	<ul style="list-style-type: none">• Agrochemicals• Speciality and fine chemicals• Dyes and intermediates• Active pharmaceutical ingredients• Pharmaceutical• Nutraceutical• Food	cGMP Pharma Models Our cGMP Pharma models strive to cater to the specific requirements of the pharmaceutical industry. Such products are equipped with functional features that eliminate product hold-up, facilitate easy cleaning, enable faster product changes, and have a superior aesthetic finish.	cGMP Agitated Nutsche Filter Dryers (ANFD) Such models of filter dryers comprise various pharma-friendly features such as detachable bottoms with double-lip sealing to eliminate product hold-up and enable quick opening of the equipment. cGMP Rotary Vacuum Paddle Dryers (RVPD) These filter dryer models have a quick access cantilever design, for pharmaceutical, cleanroom and sterile applications. cGMP Glass-Lined Reactors These glass0lined reactor models are made up of special pharma glass - GEL 2201, which is smooth and is free of biologically-hazardous metals, and is exceptionally corrosion resistant in nature.	<ul style="list-style-type: none">• Active pharmaceutical ingredients• Pharmaceutical• Nutraceutical• Food



Company Overview (contd.)

Milestones Over Six Decades

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

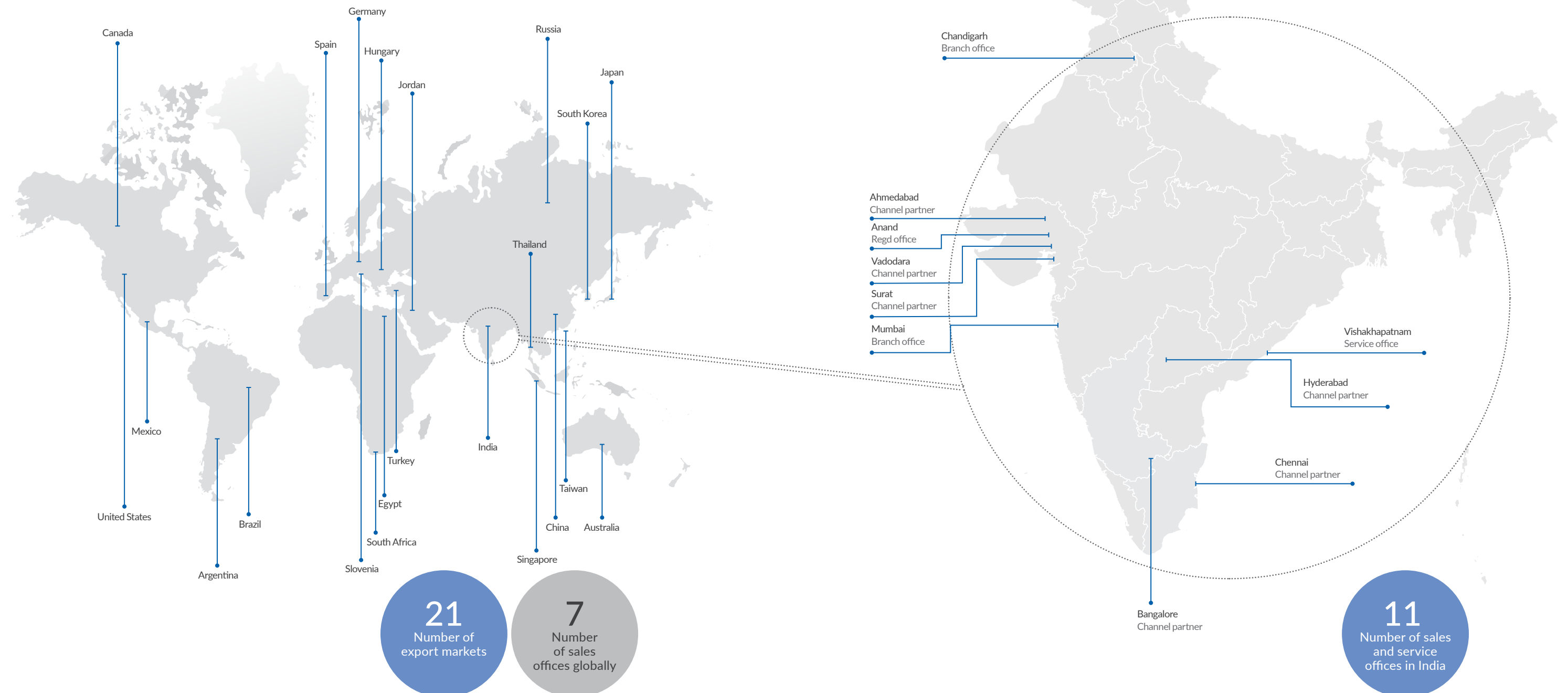




Company Overview (contd.)

Making Our Mark Across the World

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





Chairperson's Message

Shining Through the Storm



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

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

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

Strategic focus areas

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

Operational and financial performance

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

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

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

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

Built on values

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

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

→ Read more on pages 14-21

Response to COVID-19

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

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

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

Outlook

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

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

Acknowledgement

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

Regards,

Himanshu Patel

Chairperson and Managing Director



Key Performance Indicators

Our Stable Growth Trajectory

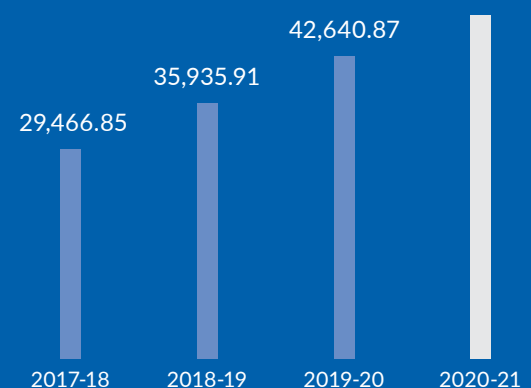
Over the years, we have leveraged our inherent strengths and focussed market strategies to grow consistently. During the fiscal 2020-21, our immediate and sharp response to the pandemic, helped us sustain this consistency in performance.

Profit and loss indicators*

Revenue (Rs. in Lakhs)

18.03% ↑
3 year CAGR

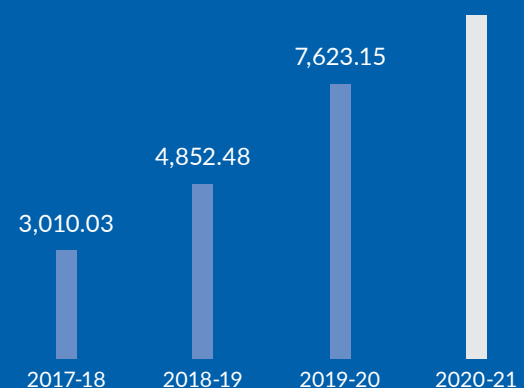
13.62% ↑



EBITDA (Rs. in Lakhs)

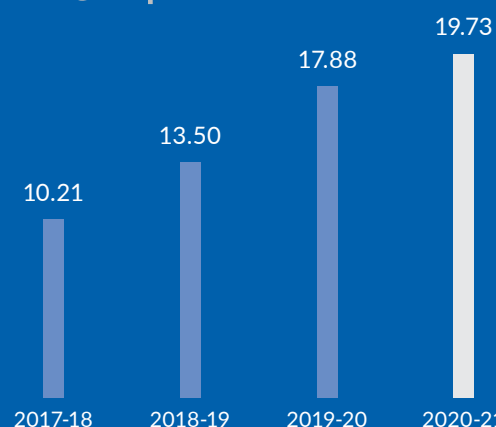
46.99% ↑
3 year CAGR

25.39% ↑



EBITDA Margin (%)

185 bps ↑



PAT (Rs. in Lakhs)

69.73% ↑
2 year CAGR

36.15% ↑



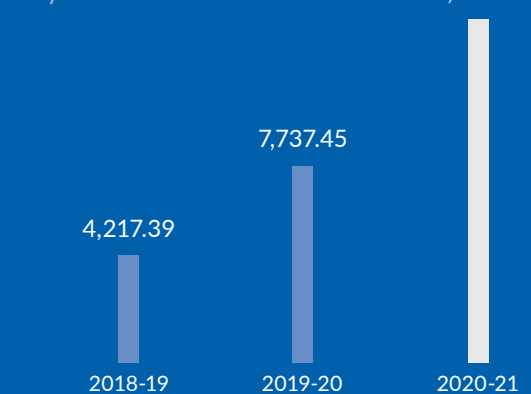
Balance sheet indicators*

CAGR ↑ y-o-y ↑

Net Worth (Rs. in Lakhs)

78.79% ↑
2 year CAGR

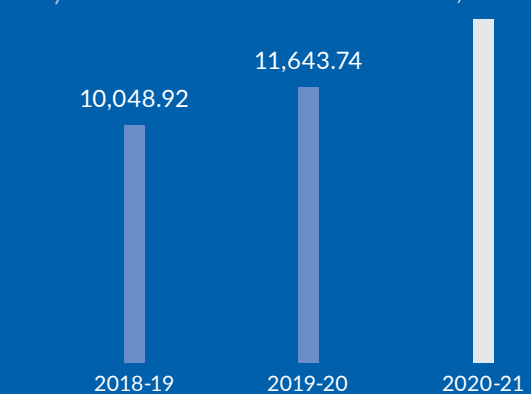
74.23% ↑



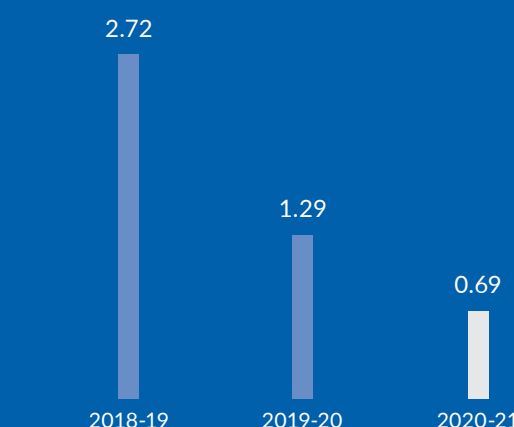
Gross Block (Rs. in Lakhs)

20.26% ↑
2 year CAGR

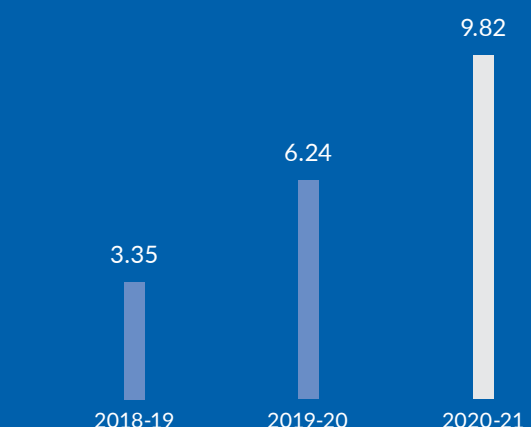
24.82% ↑



Debt Equity Ratio



Interest Coverage Ratio (Times)



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



Corporate Strengths

A Differentiated Positioning

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

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

S1

S2

S3

S4

S5

S1

People-centricity: supply chain, employees, customers

S2

Innovation

S3

Product and capacity expansion

S4

Corporate governance

S5

Financial discipline

Corporate Strengths

Banking on Passion

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

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

STRENGTHS LEVERAGED

S1

Building a team that resonates passion

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



Corporate Strengths

Leveraging Excellence

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

Leading through innovation

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

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

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

35

Size of design and engineering team

STRENGTHS LEVERAGED

S2

S3

Manufacturing excellence

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

Special purpose machines (SPMs) and tooling

Unmatched welding

Precision machining

Productive management and production planning

Leveraging these capabilities, and empowered by the stringent quality control systems, in collation with the guidance of our R&D team, we are the best-in-class equipment manufacturer in India.

40,000

Shopfloor area (square metres)

70

Overhead cranes

2

Robotic welding stations

150

Qualified welders

35

CNC, Heavy and Conventional Machine Tools

Further, in order to ensure greener and more efficient processes, we installed a new gas-powered furnace instead of conventional electric furnaces, thereby reducing our overall energy consumption and increasing efficiencies.

Order book position

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

6-7

months of order book as on 31st March 2021

