

INDEPENDENT AUDITOR'S REPORT

To the Partners of HL Equipment

Opinion

We have audited the standalone financial statements of **HL Equipment** ("the Firm"), which comprise the balance sheet at March 31st March 2021, and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2021, and of its financial performance, its cash flows and the changes in equity for the year then ended in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Indian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes its probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work & in evaluating the results of our work & (ii) to evaluate the effect of any identified misstatements in the 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.

Purpose of the Report and Limitation of Use and Distribution of the Auditor's Report

The purpose of this report is solely for our opinion on the financial statements which are prepared in accordance with the terms of reference for consolidation by the Ultimate Holding Company. As a result, this report and the financial statements may not be suitable for another purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this report and financial statements is shown or into whose hands it may come without our prior consent in writing.

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

T. Kashinath

(N. Kashinath)
Partner

Mem. No.: 036490
UDIN: 21036490AAAAGN8965



Date: 12th June, 2021
Place: Mumbai

H L EQUIPMENTS

Balance Sheet as at 31st March, 2021

Rs. In Lakhs

| | Note No. | As at 31st March 2021 | As at 31st March 2020 |
|--|----------|-----------------------|-----------------------|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 588.79 | 589.02 |
| (b) Financial assets | | | |
| (i) Other balances with bank | 3 | 84.46 | 21.08 |
| (ii) Other financial assets | 4 | 5.23 | 6.07 |
| (c) Other tax assets (net) | 5 | 185.59 | 136.44 |
| Total non-current assets | | 864.07 | 752.61 |
| 2 Current assets | | | |
| (a) Inventories | 6 | 891.86 | 1,085.05 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 | 575.21 | 246.82 |
| (ii) Cash and cash equivalents | 8 | 10.58 | 16.77 |
| (iii) Other financial assets | 9 | 20.12 | 5.41 |
| (c) Current tax assets (net) | | - | 44.00 |
| (d) Other current assets | 10 | 126.00 | 225.12 |
| Total current assets | | 1,623.77 | 1,623.17 |
| Total Assets | | 2,487.84 | 2,375.78 |
| II EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| (a) Partners capital | 11 | 420.90 | 1,037.09 |
| Equity attributable to the owners of the firm | | 420.90 | 1,037.09 |
| 2 LIABILITIES | | | |
| 2a Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12 | 175.00 | 175.00 |
| (b) Deferred tax liabilities (net) | 13 | 26.33 | 17.61 |
| Total non-current liabilities | | 201.33 | 192.61 |
| 2b Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Short term borrowings | 14 | - | - |
| (ii) Trade payables | 15 | | |
| - Total outstanding dues of micro and small enterprises | | 114.59 | 114.31 |
| - Total outstanding dues of creditors other than micro and small enterprises | | 891.45 | 708.22 |
| (iii) Other financial liabilities | 16 | 62.90 | 45.51 |
| (b) Other current liabilities | 17 | 509.30 | 278.04 |
| (c) Tax liabilities | | 287.37 | - |
| Total current liabilities | | 1,865.61 | 1,146.08 |
| Total Equity and Liabilities | | 2,487.84 | 2,375.78 |

The notes are an integral part of these financial statements


1

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


For and on behalf of HL Equipments

N. Kashinath
(Partner)
Membership No.036490
Place: Mumbai
Date: 12th June, 2021




Himanshu K. Patel
(Partner)

Place: Surat
Date: 12th June, 2021


Aalap N. Patel
(Partner)

Place: Surat
Date: 12th June, 2021

H L EQUIPMENTS


Statement of profit and loss for the period ended March 31, 2021

Rs. In Lakhs

| | Notes | As at 31st March 2021 | As at 31st March 2020 |
|--|-------|--------------------------|--------------------------|
| Income | | | |
| Revenue from operations | 18 | 7,793.68 | 5,205.07 |
| Other income | 19 | 4.76 | 6.33 |
| Total revenue | | 7,798.44 | 5,211.40 |
| Expenses | | | |
| Cost of raw material and components consumed | 20 | 4,663.99 | 3,547.24 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress | 20 | 214.11 | (302.06) |
| Employee benefits expense | 21 | 186.31 | 126.13 |
| Finance costs | 22 | 62.54 | 108.35 |
| Depreciation and amortization expense | 23 | 24.44 | 22.01 |
| Other expenses | 24 | 1,284.01 | 966.66 |
| Total expenses | | 6,435.40 | 4,468.33 |
| Profit before tax | | 1,363.04 | 743.07 |
| Tax expenses | | | |
| Current tax | | 469.48 | 262.00 |
| Deferred tax (asset) / liability | | 8.72 | (0.77) |
| Total tax expense | | 478.20 | 261.23 |
| Profit for the year | | 884.84 | 481.84 |


The accompanying notes are an integral part of the financial statements.

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



N. Kashinath
(Partner)
Membership No. 036490
Place: Mumbai
Date: 12th June, 2021



For and on behalf of HL Equipments


Himanshu K. Patel
(Partner)

Place: Surat
Date: 12th June, 2021


Aalap N. Patel
(Partner)

Place: Surat
Date: 12th June, 2021

H L EQUIPMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

| Partners' Capital | Partners Capital Account | | | | | Rs. In Lakhs |
|--|--------------------------|-------------------|-------------------|----------------------|-----------------------|-----------------|
| | Mr. Himanshu K Patel | Mr. Harsh H Patel | Mr. Aalap N Patel | Mrs. Sheetal H Patel | M/s HLE Glasscoat Ltd | TOTAL |
| Balance as at 31 Mar 2020 | 58.36 | 14.59 | 53.43 | 10.16 | 900.54 | 1,037.09 |
| Add: | | | | | | |
| Addition to capital | 55.16 | - | - | - | 821.61 | 876.77 |
| Interest on capital | (1.82) | 0.43 | 0.96 | 0.80 | 32.19 | 32.57 |
| Share of profit | 42.48 | 12.09 | 41.47 | 9.05 | 779.76 | 884.84 |
| Increase/(decrease) in contribution towards change in Profit sharing ratio | 328.46 | 80.57 | 320.20 | 55.78 | (785.00) | - |
| Partners Remuneration | - | - | - | 18.00 | - | 18.00 |
| | 424.28 | 93.09 | 362.63 | 83.63 | 848.56 | 1,812.19 |
| Less: | | | | | | |
| Tax on contributions made for change in Profit sharing ratio | 0.46 | 0.46 | 0.46 | 0.46 | 181.04 | 182.87 |
| Withdrawal of capital | 487.36 | 97.74 | 417.54 | 83.86 | 1,159.00 | 2,245.50 |
| Balance as at 31 March 2021 | (5.17) | 9.48 | (1.94) | 9.47 | 409.06 | 420.90 |

The accompanying notes are an integral part of the financial statements.

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

N. Kashinath


(Partner)

Membership No. 036490

Place: Mumbai


Date: 12th June, 2021




Himanshu K. Patel
(Partner)

Place: Surat

Date: 12th June, 2021


Aalap N. Patel
(Partner)

Place: Surat

Date: 12th June, 2021

H L EQUIPMENTS

Cash flow statement for the year ended March 31, 2021

| | Rs. In Lakhs | |
|---|-------------------|-----------------|
| | March 31, 2021 | March 31, 2020 |
| A. Cash flow from operating activities | | |
| Profit before tax expense | 1,363.04 | 743.07 |
| Adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation and amortization expense | 24.44 | 22.01 |
| Finance costs | 62.54 | 108.35 |
| Provision for doubtful advances | 3.85 | 18.13 |
| Interest (income) | (2.63) | (1.62) |
| Cessation of liability | (0.51) | (1.95) |
| Remuneration to partners | 18.00 | 18.00 |
| Profit on sale of assets | - | (1.18) |
| Operating profit before working capital changes | 1,468.73 | 904.81 |
| Movements in working capital : | | |
| Decrease / (increase) in trade receivables | (332.24) | 42.19 |
| (Increase) / decrease in inventories | 193.18 | (271.88) |
| (Increase) / decrease in other financial assets (Non current) | 0.84 | (2.25) |
| (Increase) / decrease in other financial assets (Current) | (13.32) | (4.31) |
| (Increase) / decrease in other current assets | 99.11 | 119.68 |
| Increase / (decrease) in trade payables | 184.02 | 404.49 |
| Increase / (decrease) in other financial liabilities (current) | 2.74 | 10.83 |
| Increase / (decrease) in other current liabilities | 231.26 | (218.40) |
| Cash generated from operations | 1,834.32 | 985.16 |
| Direct taxes paid (net of refunds) | (370.13) | (380.69) |
| Net cash flow from/ (used in) operating activities (A) | 1,464.19 | 604.47 |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (24.22) | (137.76) |
| Proceed on sale of assets | - | 5.36 |
| Fixed deposits matured/(placed) | (63.39) | (16.08) |
| Interest income | 1.25 | 1.19 |
| Net cash flow from/ (used in) investing activities (B) | (86.36) | (147.29) |
| C. Cash flows from financing activities | | |
| Addition in partner capital account | 876.77 | 294.04 |
| Withdrawal of capital | (2,245.50) | (731.10) |
| Call option money paid by partner | 2,000.00 | - |
| Call option money withdrawn by partners | (2,000.00) | - |
| Finance cost paid | (15.29) | (14.04) |
| Net cash flow from/ (used in) in financing activities (C) | (1,384.02) | (451.10) |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | (6.19) | 6.08 |
| Cash and cash equivalents at the beginning of the year | 16.77 | 10.69 |
| Cash and cash equivalents at the end of the year | 10.58 | 16.77 |
| Components of cash and cash equivalents | | |
| Cash on hand | 0.23 | 0.39 |
| Balances with banks | | |
| '- On current account | 10.35 | 16.38 |
| Total cash and cash equivalents (note 8) | 10.58 | 16.77 |



H L EQUIPMENTS

Cash flow statement for the year ended March 31, 2021

Notes:

1. The above Cash flow statement has been prepared based on 'Indirect Method' as set out in the IND AS - 7 "Statement of Cash Flow"
2. As per the amendment in IND AS - 7 Statement of Cash Flow : Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.


Rs. In Lakhs

| Particulars | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Opening balance | 175.00 | 175.00 |
| Cash inflows/(outflows) of non current borrowings | - | - |
| Cash inflows/(outflows) of current borrowings | - | - |
| Closing balance | 175.00 | 175.00 |

As per our report of even date


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

For and on behalf of Board of partners of
HL Equipments


N. Kashinath
(Partner)
Membership No. 036490
Place: Mumbai
Date: 12th June, 2021




Himanshu K. Patel
(Partner)
Place: Surat
Date: 12th June, 2021


Aalap N. Patel
(Partner)
Place: Surat
Date: 12th June, 2021

HL EQUIPMENTS

Schedules to the Financials Statements for the year ended March 31, 2021

1

A Corporate Information

HL Equipments is a Partnership Firm registered with Registrar of Firms with its Registered Office situated at Survey No.60/1, Ground floor, Plot No.1 & 2, Near Shukan Bungalow, Opp. Maheshwari Bhavan, City Light Road, Surat 395 007 and Factory situated at Survey No. 144/1/1, Plot No. 15, Athal Industrial Estate, Village - Athal, Silvassa - 396 230.

The Firm is carrying out the business of Manufacturing of Chemical Plant & Machinery.

Firm is registered with registrar of firms vide registration number GUJ/ SRT/(17) 23283 dated 19/01/2006.

B Basis of preparation

These financial statements of the firm have been prepared for purpose of consolidation and presented under historical cost convention, on accrual basis of accounting and accounting policies used are in line with group policies. The financials are prepared as per Indian Accounting Standards to the extent applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements are presented in Indian Rupees and all values are rounded of to nearest lakhs, except otherwise indicated

C Summary of significant accounting policies

i Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to its working condition for its intended use. In respect of qualifying assets, related pre-operational expenses including borrowing costs are also capitalised.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increased the future benefit from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed assets, including day-to-day repair and maintenance expenditure, cost of replacing parts are charged to statement of profit and loss for the period during which such expense was incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Machinery parts which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

Depreciation / amortisation of Property, Plant and Equipment

Tangible assets:

Depreciation on tangible fixed assets has been provided on Straight-Line Method based on the rates provided below - Depreciation on prorata basis from the date of additions and / or disposal.

| Description of Assets | Useful life |
|-------------------------|---------------|
| Building | 60 Years |
| Computer | 6 Years |
| Electrical Installation | 20 Years |
| Factory Building | 30 Years |
| Furniture | 15 Years |
| office Equipment | 20 Years |
| Plant & Machinery | 20 Years |
| Tools & Patterns | 8 to 10 Years |
| Vehicle | 10 Years |



H L EQUIPMENTS

Schedules to the Financials Statements for the year ended March 31, 2021

iii Leases

Where firm is lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties and other assets that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Where firm is lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

iv Borrowing cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

v Impairment of fixed assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



H L EQUIPMENTS

Schedules to the Financial Statements for the year ended March 31, 2021

vi Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vii Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

viii Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the firm and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from sale of goods

Revenue from sale of goods is recognized when all the control of the goods have been passed to the buyer, usually on delivery of the goods. The firm collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the firm. Hence, they are excluded from revenue.

Income from services

Revenues from contracts are recognized pro-rata over the period of the contract as and when services are rendered. Revenue from turnkey contracts which are time bound, are recognised over the life of the contract using percentage of completion method. Foreseeable loss on such contracts are recognised when probable.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Other income is accounted on accrual basis.

ix Foreign currency translation

Foreign currency transactions and balances

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency INR. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions.

(b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.



H L EQUIPMENTS

Schedules to the Financials Statements for the year ended March 31, 2021

(c) Exchange differences

The firm accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income / expense in the period in which they arise.

(d) Forward exchange contract

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are mark-to-market and the gains or losses, if any, are recognised in the Statement of Profit and Loss.

x Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 ('IT Act') and the rates prescribed therein at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the firm has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

xi Segment reporting

Identification of segments

The firm's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the firm operate.

Inter-segment transfers

The firm generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The firm prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the firm as a whole.

xii Provisions and Contingent liabilities

A provision is recognized when the firm has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the firm or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The firm does not recognize a contingent liability but discloses its existence in the financial statements.

xiii Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



H L EQUIPMENTS

Schedules to the Financials Statements for the year ended March 31, 2021

xiv Research and Development

Capital expenditure on research and development is treated in the same manner as Property, Plant and Equipment. Research costs are expensed as incurred. Development expenditure incurred is carried forward when its future recoverability can reasonably be regarded as assured.

xv Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

2 Property, Plant and Equipment

Rs. In Lakhs

| Particulars | Freehold land | Buildings | Plant and equipment | Electrical installation | Furniture and fixtures | Office equipment | Tools & Equipments | Computer Equipments | Vehicles | Total |
|----------------------|---------------|-----------|---------------------|-------------------------|------------------------|------------------|--------------------|---------------------|----------|--------|
| Gross Block | | | | | | | | | | |
| As at April 1, 2019 | 215.65 | 223.37 | 68.46 | 9.77 | 1.45 | 1.71 | 2.31 | 4.97 | 119.93 | 647.62 |
| Additions | - | 49.66 | 79.64 | 6.95 | 0.26 | 0.56 | - | 0.69 | - | 137.76 |
| Disposals | - | - | 4.07 | - | - | 0.61 | - | - | - | 4.68 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| As at Mar 31, 2020 | 215.65 | 273.03 | 144.03 | 16.72 | 1.71 | 1.66 | 2.31 | 5.66 | 119.93 | 780.70 |
| Additions | - | - | 18.40 | - | 1.43 | 1.80 | 0.11 | 1.80 | 0.68 | 24.22 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | 215.65 | 273.03 | 162.43 | 16.72 | 3.14 | 3.46 | 2.42 | 7.46 | 120.61 | 804.92 |

| | | | | | | | | | | |
|---------------------------------|---|-------|-------|------|------|------|------|------|--------|--------|
| Accumulated depreciation | | | | | | | | | | |
| As at April 1, 2019 | - | 66.01 | 5.35 | 1.02 | 0.20 | 0.11 | 0.35 | 2.40 | 94.73 | 170.17 |
| Depreciation for the year | - | 7.33 | 6.12 | 0.55 | 0.10 | 0.09 | 0.24 | 0.87 | 6.72 | 22.01 |
| Disposals | - | - | 0.42 | - | - | 0.08 | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | - | 73.34 | 11.05 | 1.57 | 0.30 | 0.12 | 0.59 | 3.27 | 101.45 | 192.18 |
| Depreciation for the year | - | 8.56 | 7.02 | 0.80 | 0.14 | 0.13 | 0.24 | 0.80 | 6.76 | 24.44 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | - | 81.90 | 18.07 | 2.37 | 0.44 | 0.25 | 0.83 | 4.07 | 108.21 | 216.13 |

| | | | | | | | | | | |
|----------------------|--------|--------|--------|-------|------|------|------|------|-------|--------|
| Net Block | | | | | | | | | | |
| As at March 31, 2020 | 215.65 | 199.69 | 132.99 | 15.15 | 1.41 | 1.54 | 1.72 | 2.39 | 18.48 | 589.02 |
| As at March 31, 2021 | 215.65 | 191.13 | 144.37 | 14.35 | 2.71 | 3.21 | 1.59 | 3.39 | 12.40 | 588.79 |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

3 Other balances with bank (Non current)

| | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| - Earmarked balances against borrowings | 84.46 | 21.08 |
| | 84.46 | 21.08 |

Earmarked balances with banks pertain to margin money for performance bank guarantees given to customers

4 Other financial assets (Non current)

| | March 31, 2021 | March 31, 2020 |
|---------------------------------|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Security deposit: | | |
| Considered good | 5.23 | 5.23 |
| Considered doubtful | 0.32 | 0.32 |
| Provision for doubtful deposits | (0.32) | (0.32) |
| | - | - |
| Loan to employees | - | 0.84 |
| Total | 5.23 | 6.07 |

5 Other tax assets (Non current)

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Advance income tax (net of provisions) | 185.59 | 180.44 |
| Total | 185.59 | 180.44 |

6 Inventories (valued at lower of cost and net realizable value)

| | March 31, 2021 | March 31, 2020 |
|-----------------------------|----------------|-----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Raw material and components | 292.73 | 294.47 |
| Work-in-progress | 520.01 | 476.99 |
| Finished goods | 49.06 | 306.19 |
| Consumables | 30.06 | 7.40 |
| Total | 891.86 | 1,085.05 |

7 Trade receivables

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Unsecured, considered good, unless otherwise stated | | |
| from holding company | - | 0.95 |
| Related Party | 40.93 | 41.88 |
| Other | 534.28 | 203.99 |
| Unsecured, considered doubtful | | |
| Credit impaired | 10.75 | 6.85 |
| Less:- Provision for doubtful debts | (10.75) | (6.85) |
| | - | - |
| Total | 575.21 | 246.82 |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

8 Cash and cash equivalents

| | March 31, 2021 | March 31, 2020 |
|----------------------------------|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Cash and cash equivalents | | |
| Cash on hand | | |
| - In rupees | 0.23 | 0.39 |
| Balance with banks | | |
| -In current account | 2.04 | 16.38 |
| -In Cash credit account | 8.31 | - |
| Total | 10.58 | 16.77 |

9 Other financial assets (current)

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Unsecured, considered good, unless otherwise stated | | |
| Advance recoverable in cash or kind | | |
| - from holding company (related party) | 17.00 | 4.06 |
| - from others | - | - |
| Loan to employees | 1.74 | 0.93 |
| Interest receivable | 1.38 | 0.42 |
| Total | 20.12 | 5.41 |

10 Other current assets

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs. In Lakhs | Rs. In Lakhs |
| Considered good | | |
| <u>Advance to supplier</u> | | |
| To related party | - | - |
| To other | 8.75 | 7.74 |
| Prepaid expenses | 0.11 | 0.21 |
| Indirect tax recoverable | 117.14 | 217.17 |
| Considered doubtful | | |
| Advance to supplier | 8.69 | 8.74 |
| Indirect tax recoverable | 9.44 | 9.44 |
| Less:- Provision for doubtful advances | (18.13) | (18.18) |
| Total | 126.00 | 225.12 |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

11 Partners' Capital

| | March 31, 2021 | | March 31, 2020 | |
|--|----------------|---------------|----------------|----------------|
| | Ratio | Rs. In Lakhs | Ratio | Rs. In Lakhs |
| Mr. Himanshu K Patel | 0.25% | (5.17) | 8.20% | 58.36 |
| Mr. Harsh H Patel | 0.25% | 9.48 | 2.20% | 14.59 |
| Mr. Aalap N Patel | 0.25% | (1.94) | 8.00% | 53.43 |
| Mrs. Sheetal H Patel | 0.25% | 9.47 | 1.60% | 10.16 |
| M/s HLE Glascoat Ltd | 99.00% | 409.06 | 80.00% | 900.55 |
| Total balance in Capital Accounts | 100.00% | 420.90 | 100.00% | 1037.09 |

Mr. Himanshu K Patel's Capital Account

| Particulars | Amount | Particulars | Amount |
|--|---------------|---|---------------|
| Withdrawal of capital | 487.36 | Opening balance | 58.36 |
| Tax on contributions made for change in Profit sharing ratio | 0.46 | Increase in contribution towards change in Profit sharing ratio | 328.46 |
| Interest on capital | 1.82 | Addition to capital | 55.16 |
| | | Share of profit | 42.48 |
| | | Closing balance | 5.17 |
| | 489.64 | | 489.64 |

Mr. Harsh H Patel's Capital Account

| Particulars | Amount | Particulars | Amount |
|--|---------------|---|---------------|
| Withdrawal of capital | 97.74 | Opening balance | 14.59 |
| Tax on contributions made for change in Profit sharing ratio | 0.46 | Increase in contribution towards change in Profit sharing ratio | 80.57 |
| | | Addition to capital | - |
| | | Interest on capital | 0.43 |
| Closing balance | 9.48 | Share of profit | 12.09 |
| | 107.68 | | 107.68 |

Mr. Aalap N Patel's Capital Account

| Particulars | Amount | Particulars | Amount |
|--|---------------|---|---------------|
| Withdrawal of capital | 417.54 | Opening balance | 53.43 |
| Tax on contributions made for change in Profit sharing ratio | 0.46 | Increase in contribution towards change in Profit sharing ratio | 320.20 |
| | | Addition to capital | - |
| | | Interest on capital | 0.96 |
| | | Share of profit | 41.47 |
| | | Closing balance | 1.94 |
| | 418.00 | | 418.00 |

Mrs. Sheetal H Patel's Capital Account

| Particulars | Amount | Particulars | Amount |
|--|--------------|---|--------------|
| Withdrawal of capital | 83.86 | Opening balance | 10.16 |
| Tax on contributions made for change in Profit sharing ratio | 0.46 | Increase in contribution towards change in Profit sharing ratio | 55.78 |
| | | Addition to capital | - |
| | | Interest on capital | 0.80 |
| | | Share of profit | 9.05 |
| Closing balance | 9.47 | Partners Remuneration | 18.00 |
| | 93.79 | | 93.79 |

M/s. HLE Glascoat Ltd Capital Account

| Particulars | Amount | Particulars | Amount |
|---|-----------------|---------------------|-----------------|
| Withdrawal of capital | 1,159.00 | Opening balance | 900.55 |
| Tax on contributions made for change in Profit sharing ratio | 181.04 | Addition to capital | 821.61 |
| Decrease in contribution towards change in Profit sharing ratio | 785.00 | Interest on capital | 32.19 |
| Closing balance | 409.06 | Share of profit | 779.76 |
| | 2,534.11 | | 2,534.11 |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

12 Long-term borrowings

| | March 31, 2021 Rs. In Lakhs | March 31, 2020 Rs. In Lakhs |
|------------------------|--------------------------------|--------------------------------|
| Unsecured loans | | |
| From banks (secured) | | |
| Banks | - | - |
| Others | 175.00 | 175.00 |
| Total | 175.00 | 175.00 |

Note : The unsecured loans are bearing interest @ 10% & 9% with no specific repayment schedule

13 Deferred tax

| | March 31, 2021 Rs. In Lakhs | March 31, 2020 Rs. In Lakhs |
|--|--------------------------------|--------------------------------|
| Deferred tax (assets) / liability | | |
| Opening deferred tax liability | 17.61 | 18.38 |
| Property, Plant and Equipment: Differences between depreciation as per IT Act and depreciation / amortization charged as per books of accounts | 21.75 | 10.18 |
| Expenses allowable on payment basis | (13.03) | (10.95) |
| Closing deferred tax liability | 26.33 | 17.61 |

14 Short-term borrowings

| | March 31, 2021 Rs. In Lakhs | March 31, 2020 Rs. In Lakhs |
|----------------------|--------------------------------|--------------------------------|
| Secured Loans | | |
| Cash credit | - | - |
| Total | - | - |

Note: Working capital facilities from CITI Bank (previous year HDFC Bank) is secured by hypothecation by way of charge on stock, book debts, letter of credit, fixed deposits and personnel guarantees of Partners.

15 Trade payables

| | March 31, 2021 Rs. In Lakhs | March 31, 2020 Rs. In Lakhs |
|--------------------------------------|--------------------------------|--------------------------------|
| Creditors | | |
| - Due to micro and small enterprises | 114.59 | 114.31 |
| - Due to others | | |
| Related party | 20.61 | 137.75 |
| Others | 870.84 | 570.47 |
| Total | 1,006.04 | 822.53 |

16 Other financial liabilities

| | March 31, 2021 Rs. In Lakhs | March 31, 2020 Rs. In Lakhs |
|------------------------------------|--------------------------------|--------------------------------|
| Employee benefit expense payable | 12.65 | 8.73 |
| Bonus and leave encashment payable | 8.41 | 5.98 |
| Interest payable | 14.66 | 22.28 |
| Other payables | 27.18 | 8.52 |
| Total | 62.90 | 45.51 |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

| | | | |
|----|--|---------------------------|-----------------------|
| 17 | Other current liabilities | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | Advance from customer | 352.78 | 269.33 |
| | Other statutory dues payable | 156.52 | 8.71 |
| | Total | 509.30 | 278.04 |
| | Movement of contract liabilities is as under | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | As at the beginning of the year | 269.33 | 490.45 |
| | Recognised as revenue from contract with customer | 1,099.00 | 489.14 |
| | Advance returned back to customer | - | - |
| | Advance from customer received during the year | 1,182.45 | 268.02 |
| | Balance as closing of the year | 352.78 | 269.33 |
| 18 | Revenue from operations | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | Sale of products | | |
| | Chemical plant and machinery | 7,757.89 | 5,171.64 |
| | Other Operating Income | | |
| | Jobwork income | - | 12.50 |
| | Sale of scrap | 35.79 | 20.93 |
| | Total | 7,793.68 | 5,205.07 |
| 19 | Other Income | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | Profit on sale of assets | - | 1.18 |
| | Interest income | 2.63 | 1.62 |
| | Cessation of liability | 0.51 | 1.95 |
| | Miscellaneous income | 1.62 | 1.58 |
| | | 4.76 | 6.33 |
| 20 | Cost of raw material and component consumed | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | Inventories at the beginning of the year | 294.47 | 328.52 |
| | Add: Purchases | 4,662.26 | 3,513.19 |
| | | 4,956.72 | 3,841.71 |
| | Less: Inventories at the end of the year | 292.73 | 294.47 |
| | Cost of raw material consumed | 4,663.99 | 3,547.24 |
| | Change in inventories of Finished Goods & Work in | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| | Inventories at the end of the year | | |
| | Work-in-progress | 520.01 | 476.99 |
| | Finished goods | 49.06 | 306.19 |
| | (A) | 569.07 | 783.18 |
| | Inventories at the beginning of the year | | |
| | Work-in-progress | 476.99 | 422.79 |
| | Finished goods | 306.19 | 58.33 |
| | (B) | 783.18 | 481.12 |
| | Total (A) - (B) | 214.11 | (302.06) |



H L EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

| | | For the year ended | |
|----|---|--------------------|----------------|
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| 21 | Employee benefits expense | | |
| | Salary, wages and bonus | 173.26 | 118.43 |
| | Contribution to provident and other funds | 4.85 | 3.44 |
| | Staff welfare expenses | 8.20 | 4.26 |
| | Total | 186.31 | 126.13 |
| | | | |
| | | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| 22 | Finance costs | | |
| | Interest cost - other | 3.08 | 5.09 |
| | Bank and other financial charges | 7.45 | 4.33 |
| | Interest cost - partner's capital | 32.57 | 72.04 |
| | Interest on income tax/tds/msme | 1.92 | 9.69 |
| | Interest on unsecured loan | 17.52 | 17.20 |
| | Total | 62.54 | 108.35 |
| | | | |
| | | For the year ended | |
| | | March 31, 2021 | March 31, 2020 |
| | | Rs. In Lakhs | Rs. In Lakhs |
| 23 | Depreciation and amortisation expenses | | |
| | Depreciation on tangible assets | 24.44 | 22.01 |
| | Total | 24.44 | 22.01 |




HL EQUIPMENTS

Schedules to the Financials Statements for the period ended March 31, 2021

| 24 Other expenses | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| | Rs. In Lakhs | Rs. In Lakhs |
| Consumption of stores and spares | 260.93 | 216.49 |
| Power and fuel | 22.21 | 19.26 |
| Sub-contracting expenses | 533.88 | 409.67 |
| Other manufacturing expenses | 12.98 | 12.48 |
| Freight and forwarding charges | 167.47 | 89.04 |
| Drawings and installation charges | 75.93 | 51.72 |
| Rent, rates and taxes | 1.74 | 2.43 |
| Repairs and maintenance: | | |
| Plant and machinery | 16.24 | 9.06 |
| Buildings | 0.52 | 2.83 |
| Others Rep. | 10.30 | 8.30 |
| Travelling and conveyance | 0.47 | 3.37 |
| Insurance expenses | 6.53 | 2.67 |
| Vehicle expenses | 0.98 | 8.91 |
| Communication costs | 6.84 | 3.44 |
| Computer expenses | 1.00 | 0.85 |
| Printing and stationery | 1.64 | 1.51 |
| Legal and professional fees* | 45.20 | 41.50 |
| Retainership Expenses | 35.44 | - |
| Provision for doubtful debts/advances/deposits | 3.85 | 18.13 |
| Partners' remuneration | 18.00 | 18.00 |
| Office expenses | 1.67 | 2.96 |
| Donation | - | 0.15 |
| Security expenses | 17.98 | 17.74 |
| Warranty provision | 6.23 | 6.22 |
| Commission on sales | 7.08 | 3.38 |
| Lodging and boarding expenses | 12.77 | 9.41 |
| Others | 16.13 | 7.14 |
| Total | 1,284.01 | 966.66 |
| *Auditors remuneration | | |
| As auditor: | | |
| Audit fee | 0.35 | 0.25 |
| Tax audit fee | 0.10 | 0.10 |
| Out of pocket expenses | 0.07 | - |
| Total | 0.52 | 0.35 |

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

N. Kashinath
(Partner)
Membership No. 036490
Place: Mumbai
Date: 12th June, 2021



For and on behalf of HL Equipments

Himanshu K. Patel
(Partner)
Place: Surat
Date: 12th June, 2021

Aalap N. Patel
(Partner)
Place: Surat
Date: 12th June, 2021

HL EQUIPMENTS

Notes to Financial Statement for the year ended 31st Mar, 2021

25 Related party disclosures**a) Names of related parties and description of their relationship:**

| Description of related party | Name of related party | Description of Relationship |
|------------------------------|------------------------------------|---|
| Related parties | HLE Glasscoat Ltd ('HLEGL') | Partner |
| | Yashashvi Rasayan Pvt Ltd ('YRPL') | Companies under same management (Significant Influence) |
| | Aalap Patel | Partner |
| | Harsh Patel | Partner |
| | Himanshu Patel | Partner |
| | Sheetal Patel | Partner |

b) Summary of transactions with above related parties are as follows:

| Nature of transactions | Rs. In Lakhs | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Transactions during the year | | |
| Interest on Partners Capital | | |
| Aalap Patel | 0.96 | 1.92 |
| Harsh Patel | 0.43 | 0.63 |
| Himanshu Patel | (1.82) | 3.67 |
| HLE Glasscoat Ltd | 32.19 | 65.17 |
| Sheetal Patel | 0.80 | 0.63 |
| Call option Asset | | |
| HLE Glasscoat Ltd (Call option money Receipt) | 2,000.00 | - |
| Aalap Patel (Call option money Paid) | (815.79) | - |
| Harsh Patel (Call option money Paid) | (205.26) | - |
| Himanshu Patel (Call option money Paid) | (836.84) | - |
| Sheetal Patel (Call option money Paid) | (142.11) | - |
| Corporate Guarantee Availed | | |
| HLE Glasscoat Ltd | 200.00 | 200.00 |
| Increase in contribution towards profit sharing ratio | | |
| HLE Glasscoat Ltd | (785.00) | - |
| Aalap Patel | 320.20 | - |
| Harsh Patel | 80.57 | - |
| Himanshu Patel | 328.46 | - |
| Sheetal Patel | 55.78 | - |
| Partners Remuneration | | |
| Sheetal Patel | 18.00 | 18.00 |
| Finished goods - Income from sale of plant and machinery or its parts | | |
| - HLEGL | 21.50 | 63.65 |
| Sale of raw materials | | |
| - HLEGL | 9.51 | 0.85 |



HL EQUIPMENTS

Notes to Financial Statement for the year ended 31st Mar, 2021

| | | |
|-----------------------------------|----------|----------|
| Jobwork income | | |
| - HLEGL | - | 12.50 |
| Purchase of fixed assets | | |
| - HLEGL | - | 1.93 |
| Sale of capital goods | | |
| - HLEGL | - | 0.49 |
| Purchase of finished goods | | |
| - HLEGL | - | 0.77 |
| Purchase of raw material | | |
| - HLEGL | 1,494.46 | 1,161.88 |
| Procurement of services | | |
| - HLEGL | 137.29 | 62.46 |
| Share of Profit | | |
| Aalap Patel | 41.47 | 38.55 |
| Harsh Patel | 12.09 | 10.60 |
| Himanshu Patel | 42.48 | 39.51 |
| HLE Glasscoat Ltd | 779.76 | 385.47 |
| Sheetal Patel | 9.05 | 7.71 |

Rs. In Lakhs

| Nature of transactions | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Balance outstanding at the end of the year | | |
| Sundry creditors | | |
| - HLEGL | 20.61 | 137.75 |
| Trade receivable | | |
| - HLEGL | - | 0.95 |
| - YRPL | 40.93 | 40.93 |
| Corporate Guarantee Availed | | |
| HLE Glasscoat Ltd | 6.04 | 181.76 |
| Advance recoverable in cash or kind | | |
| - HLEGL | 17.00 | 4.05 |
| Advance to Supplier | | |
| - HLEGL | - | 162.62 |

26 Contingent Liabilities :

- a) A Survey proceedings u/s. 133A of the IT Act was conducted by the Income Tax Authorities on September 29, 2008. In this regard, the Department of Income Tax had issued a notice u/s 156 of IT Act. The Department has raised a demand notice dated 26.12.2018 to the tune of Rs. 2,79,30,660 by passing an assessment order u/s. 143(3) r.w.s 254 of the IT Act, of which Rs. 1,44,99,256 was paid. The company has further filed an Appeal with ACIT Valsad against this order.

27 Bank Gaurantee :

Rs. In Lakhs

| Particulars | March 31, 2021 | March 31, 2020 |
|------------------------------------|----------------|----------------|
| HDFC Bank (Bank Guarantee) | 6.04 | 181.76 |
| Citi Bank (Performance Guarantee) | 319.65 | - |

Bank Guarantee's facilities are provided from limits of HLE GLASCOAT Ltd and expenses incurred are borne by the firm
The Firm does not expect any reimbursement in respect of the above contingent liabilities



HL EQUIPMENTS**Notes to Financial Statement for the year ended 31st Mar, 2021**

- 28 Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):
The details of liabilities to Micro and Small Enterprises defined in note-6 ' to the extent information available with the Partnership firm are given under:

| Particulars | Rs. In Lakhs | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| The principal amount and the interest due thereon remaining unpaid to any supplier at end of each accounting year: | | |
| - principal | 114.59 | 114.31 |
| - interest | 1.75 | 8.63 |
| The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006: | | |
| - interest | - | - |
| - principal | 661.10 | 395.59 |
| 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 the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| The amount of Interest accrued and remaining unpaid at the end of each accounting year | 1.75 | 3.24 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006 | 10.38 | 8.63 |

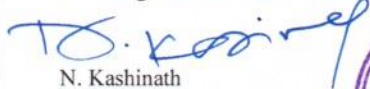
Dues to MSME has been determined to the extent such parties have been identified on the basis of information certified by the partners. This has been relied upon by the auditors

- 29 In the opinion of the partners:

- a) The current Assets, loans & advances are approximately of the value stated, if realised in the ordinary course of the business
- b) The provisions for all known liabilities are adequate & not in excess of the amount reasonably necessary.

- 30 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

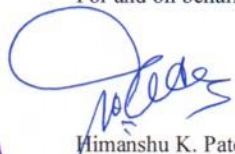
For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No.: 107122W/W100672


N. Kashinath
(Partner)

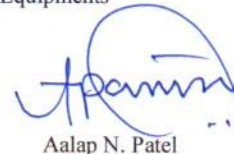
Membership No. 036490
Place: Mumbai
Date: 12th June, 2021



For and on behalf of HL Equipments


Himanshu K. Patel
(Partner)

Place: Surat
Date: 12th June, 2021


Aalap N. Patel
(Partner)

Place: Surat
Date: 12th June, 2021