



**SWISS  
GLASCOAT**  
EQUIPMENTS LIMITED

ANNUAL  
REPORT

**2017-18**

**Corporate Identity Number (CIN)**

L26100GJ1991PLC016173

**Board of Directors**

Mr. Himanshu Patel	Chairperson and Managing Director
Mr. Aalap Patel	Executive Director (Technical)
Mr. Nilesh Patel	Non-Executive Director
Mr. Harsh Patel	Non-Executive Director
Mr. Sudarshan Amin	Non-Executive Director
Mr. Janardan Shukla	Independent Director
Ms. Vijayanti Punjabi	Independent Director
Mr. Mahesh Kabutarwala	Independent Director (appointed w.e.f. 29.05.2017)
Mr. Yatish Parekh	Independent Director (appointed w.e.f. 29.05.2017)
Mr. Sandeep Randery	Independent Director (appointed w.e.f. 29.05.2017)

**Company Secretary & Compliance Officer**

Ms. Dhvani Shah

**Chief Financial Officer**

Mr. Bipin Thakkar

**Secretarial Auditor**D. G. Bhimani & Associates  
Anand**Statutory Auditors**M/s. M. M. Nissim & Co.  
Mumbai**Internal Auditor**CNK & Associates LLP, Chartered Accountants  
Vadodara**Bankers**

State Bank of India

**Registered Office**H – 106, Phase – IV, G.I.D.C. Estate,  
Vithal Udyognagar – 388121.  
Dist. Anand, Gujarat**Registrar & Share Transfer Agent**Link Intime India Pvt Limited  
B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Nr. Radhakrishna Char Rasta,  
Akota, Vadodara - 390 020



## NOTICE

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting of SWISS GLASCOAT EQUIPMENTS LIMITED will be held on Friday, 3<sup>rd</sup> August, 2018 at 2.30 p.m. at the Registered Office of the Company situated at H-106, G.I.D.C. Estate, Vitthal Udyognagar – 388 121 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, including the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Auditor and the Board thereon.
2. To declare the final dividend on Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2018.
3. To appoint Director in place of Mr. Nilesh Patel (DIN 0141873), Director, who retires by rotation and being eligible, has offered himself for reappointment.

### SPECIAL BUSINESS:

4. To provide Loan in accordance with Sections 185 and 186 of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to Sections 185 and 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals as may be necessary; the consent of Company be and is hereby accorded to the Board of Directors of the Company (including any Committee which the Board may have constituted or hereinafter constitute to exercise the power conferred by this Resolution) to give loan in form of inter-corporate deposits to HLE Engineers Private Limited and Yashashvi Rasayan Private Limited, provided that the aggregate amount of all such loans, investments and guarantees outstanding at any time shall not exceed the sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more.

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investments, giving loans or guarantees or providing securities within the aforesaid limits including with the power to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution.”

**By the Order of the Board of  
Swiss Glascoat Equipments Limited**

Sd/-

Ms. Dhvani Shah

**Company Secretary**

**Date:** 19<sup>th</sup> May, 2018

**Place:** V. U. Nagar

### NOTES:

- (A) **The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 of the accompanying notice is annexed hereto.**
- (B) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- (C) **AN INSTRUMENT OF PROXY TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ANNEXED HERETO.**
- (D) An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.



- (E) A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
- (F) Corporate/ Society Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution/ Authority letters together with specimen signature of their representative(s), who are authorized to attend and vote on their behalf at the Meeting.
- (G) Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No.
- (H) In case of joint holders attending the meeting, only that joint-holder who is highest in the order of names shall be entitled to vote.
- (I) 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 section relating to the Corporate Governance. Requisite declaration has been received from the Director seeking re-appointment.
- (J) Members desirous of any relevant information or clarifications on the accounts at the Annual General Meeting are requested to write to the Company at least ten days before the date of the Annual General Meeting so as to enable the Management to keep the information ready at the Meeting.
- Relevance of question and order of speakers at the Meeting shall be decided by the Chairperson.
- (K) The Register of Members and Share Transfer Books of the Company, for the shares held in physical form, will remain closed from 28<sup>th</sup> July, 2018 to 31<sup>st</sup> July, 2018 (both days inclusive) for the purpose of the payment of Dividend, subject to the approval by the shareholders at the ensuing Annual General Meeting.
- (L) The payment of Dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, would commence from 24<sup>th</sup> August, 2018 to those Members, whose names appear in the Register of Members of the Company after the close of business hours on 27<sup>th</sup> July, 2018, after giving effect to valid share transfers in physical form lodged with the Company on or before 27<sup>th</sup> July, 2018, to their registered addresses and the respective Beneficial Owners as per the list provided by the National Securities Depository Ltd and the Central Depository Services (India) Ltd after the close of business hours on 27<sup>th</sup> July, 2018.
- (M) Shareholders are advised to encash their dividend warrants for the proposed Dividend for FY 2017-18, if declared, within the validity period. Thereafter, the Shareholders will have to request the Company for issuing fresh/ revalidated dividend warrants by writing to the Company.
- (N) Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2011 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 FY 2010-11 and transfer of all the unclaimed amount lying therein is 19<sup>th</sup> November, 2018.
- (O) In accordance with the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Companies) Rules, 2012, the Company has uploaded the information, in respect of Unclaimed Dividends related to FY 2009-10 to 2015-16 as on the date of the 26<sup>th</sup> Annual General Meeting of the Company i.e. 28<sup>th</sup> August, 2017, on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide -Unclaimed and Unpaid Dividend Details- Form IEPF-2 and IEPF website: [www.iepf.gov.in](http://www.iepf.gov.in)
- A separate reminder was also sent to those Shareholders having unclaimed dividends related to FY 2009-10 to 2015-16.
- (P) 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 Registrar and Share Transfer Agent. 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.
- (Q) In order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through Electronic Clearing Service (ECS), Members 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., Baroda, Registrar and Share Transfer Agent of the Company. (Form for availing ECS facility is available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide -Investors Information.



- (R) 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 Registrar 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.
- (S) In view of the circular issued by SEBI dated 20<sup>th</sup> April, 2018 ref: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, it is also mandatory to provide the Bank Mandate (Beneficiary Bank name and Beneficiary account number) on the face of the Warrant/ DD for all warrant printing cases/ DD cancellation and reissuance/ initial DD issuance/ DD issuance against electronic payment rejects.
- (T) 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
- (U) Members are requested to note that the Securities and Exchange Board of India (SEBI) has mandated to furnish Permanent Account Number (PAN) by every participant dealing in securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
- (V) Shareholders holding shares in more than one folios are requested to write to the Registrar and Share Transfer Agent of the Company, enclosing their Share Certificates, for consolidation of their folios.
- (W) Members are requested:-
- (i) to bring their copies of Annual Report, Notice and Attendance Slip duly filled in at the time of the Meeting.
  - (ii) to quote their Folio Nos./ DP ID Nos. in all correspondence.
- (X) 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.
- (Y) Members who have not registered their e-mail addresses so far are requested to register the same with the Company or Link Intime India Pvt. Ltd. for receiving all communication electronically from the Company. (Form for registering e-mail IDs is available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide - Investors Information).
- (Z) Electronic copy of the Annual Report 2017-18 is being sent to all the Members who have registered their e-mail ids with the Company/ Depository Participants except to those who have specifically requested hard copy of the same. For the Members who have not registered their e-mail ids, physical copy of the Annual Report 2017-18 is being sent in permitted mode.

The 27<sup>th</sup> Annual Report for FY 2017-18 of the Company is also available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide - Financial Information -Yearly Reports and on the BSE website: [www.bseindia.com](http://www.bseindia.com)

## **(AA) Voting through electronic means**

- (1) In accordance with Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended to date) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering Remote E-voting facility as an alternate, to all the Members of the Company, to cast their votes electronically on all resolutions set forth in the Notice herein.
- (2) For this purpose, the Central Depository Services (India) Ltd. (CDSL) shall provide facility for Remote E-voting to enable the Members to cast their votes electronically. **Remote E-voting is optional.**
- (3) Facility of voting through ballot paper shall be made available at the AGM to those Members who have not used Remote E-voting facility to cast their votes.
- (4) 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.
- (5) 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.
- (6) The instructions and other information relating to Remote E-voting are as under:
- i. The remote e-voting period commences on 31<sup>st</sup> July, 2018 (9:00 a.m. IST) and ends on 2<sup>nd</sup> August, 2018 (5:00 p.m. IST). During this period, Members, holding shares either in physical form or dematerialised form, as on cut-off date 28<sup>th</sup> July, 2018, may cast their vote electronically. Thereafter, the Remote E-voting module shall be disabled by CDSL at 5.00 p.m. IST on the last day i.e. 2<sup>nd</sup> August, 2018.



- ii. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Then Members should enter their User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If Members are holding shares in demat form and have logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then their existing password should be used.
- vii. If Members are first-time users, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed in address stickers.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in their demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share their password with any other person and take utmost care to keep their password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the **EVSN 180619013** for **SWISS GLASCOAT EQUIPMENTS LIMITED**.
- xii. On the voting page, Members will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that Members assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if Member wish to view the entire Resolution details.
- xiv. After selecting the resolution Members have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If Members wish to confirm their vote, click on "OK", else to change their vote, click on "CANCEL" and accordingly modify their vote.
- xv. Once Members "CONFIRM" their vote on the resolution, they will not be allowed to modify their vote.
- xvi. Members can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xviii. Members can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android and Windows based Mobile. Members may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- xix. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case Members have any queries or issues regarding e-voting, Members may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxi. Please Note-**
  - Once Members have confirmed their vote on any of the resolutions, Members will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
  - Voting has to be done for each item of the Notice separately. In case Members do not desire to cast their vote on any specific resolution, it will be treated as abstained.
  - Members holding multiple folios/ demat accounts shall choose voting process separately for each of folios/ demat accounts.
- xxii. Mr. D. G. Bhimani, a Practicing Company Secretary and Proprietor of D. G. Bhimani & Associates, is appointed as the Scrutinizer to scrutinise the remote e-voting process and voting at AGM in a fair and transparent manner.
- xxiii. 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 voting by use of ballot paper to those Members attending the AGM and who have not cast their votes through remote e-voting.
- xxiv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count votes cast in the AGM and then unlock the votes cast through remote e-voting 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.

**(AB) 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- "Swiss Glascoat Equipments Limited - Unclaimed Suspense Account" after sending three reminders at regular intervals at the last available address of the concerned Shareholders as available in the records of the Company/ Depository database. The details of the number of shares transferred to and from the said account have been provided in the Corporate Governance Report as an annexure to the Board Report.

Kindly note that the said Suspense Account is maintained by the Company purely on behalf of those Shareholders whose share certificates have been transferred to the said Demat A/c and the concerned Shareholders are entitled to approach the Company for possession of the shares entitled to them. After due legal formalities, the Company shall transfer the entitled shares to the respective Shareholder applicant.

Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") notified by the Ministry of Corporate Affairs effective from 7<sup>th</sup> September, 2016 and amended from time to time, the Company has communicated individually to and a notice was published in the newspapers in English and the local language for the concerned Shareholders whose shares are liable to be transferred to IEPF Suspense Account under the said IEPF Rules for taking appropriate actions(s).

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.glascoat.com](http://www.glascoat.com) under Investors Guide-Details related to shares/ dividend transferred to IEPF Authority. The said shares have been transferred to IEPF Authority after completion of due legal formalities by the Company in December 2017.

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](http://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  
Swiss Glascoat Equipments Limited**

**Sd/-**

**Ms. Dhvani Shah  
Company Secretary**

**Date:** 19<sup>th</sup> May, 2018  
**Place:** V. U. Nagar



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

### **ITEM NO.4**

In view of increased turnover and profitability during past years, sometime company may have surplus funds, not immediately required for business. For better utilization of these liquid funds the Company may invest the same for its profitable use.

The Company currently has not given any loans or made investments or given guarantee to HLE Engineers Private Limited and Yashashvi Rasayan Private Limited. It is proposed to give inter corporate loans upto Rs.15,00,00,000/- (Rupees Fifteen Crore) to each company subject to Section 186 of the Companies Act, 2013. The loans to be given to HLE Engineers Private Limited and Yashashvi Rasayan Private Limited will be used by them for their principal business activities and general corporate purpose. The terms of the loans shall not be prejudicial to the interest of shareholders.

Accordingly your Company is required to obtain approval by passing special resolution in general meeting.

Except Mr. Himanshu Patel, Mr. Nilesh Patel, Mr. Aalap Patel and Mr. Harsh Patel, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.



## BOARD REPORT

Dear Members,

Your Directors are pleased to present the 27<sup>th</sup> Annual Report together with the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2018.

### ➤ FINANCIAL HIGHLIGHTS\*

(Rs. in lakhs)

PARTICULARS	2017-18	2016-17
Revenue from Operations	9876.29	8948.78
Other Income	101.13	26.09
Profit Before Interest, Depreciation and Tax	1122.35	955.93
Less: Finance Charges	144.12	227.94
Less: Depreciation	303.56	254.60
Profit Before Tax	674.67	473.39
Less: Current Tax	193.27	132.88
Less: Deferred Tax	(54.51)	28.47
Profit After Tax	535.91	312.04
<b>Earnings Per Share (EPS)</b>	<b>8.24</b>	<b>6.24</b>

\* The figures are regrouped, rearranged and recast, wherever considered necessary.

### ➤ STATE OF COMPANY'S AFFAIRS

Even though the economic conditions in FY 2017-18 were relatively subdued, your Company achieved an enhanced sales turnover of Rs. 9876.29 lakhs as against Rs. 8948.78 lakhs during the previous year and earned a Net Profit After Tax of Rs. 535.91 lakhs as against Rs. 312.04 lakhs during the previous year. Your Company has considerably improved its manufacturing and operational efficiency during the year under review and these management endeavours will continue during the coming year. There has been an improvement in the economic outlook for the pharmaceutical and agro-chemical industries, which are the key target customers of your Company. These factors have been reinforced by certain Government and the Reserve Bank of India initiatives to bring inflation under control, reduction of repo and reverse repo rate leading to moderate reduction of interest rates, bringing pharmaceutical sector under 100% Automatic FDI route and the implementation of Goods and Services Tax during the year. Your Company has a robust order book, which provides encouraging visibility of the revenues in the first few months of FY 2018-19. The Management continues to take active steps to reduce the operating costs and improve capacity utilisation. The Management is confident to achieve a much better performance in the current year with improved revenues and profits.

### ➤ DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 2.00 (@ 20%) per equity share of Rs. 10/- each, for the financial year 2017-18, subject to the approval of the Members in the ensuing Annual General Meeting. The Dividend, if approved by the Members, will result in cash outflow of Rs. 157.52 Lakhs, including dividend distribution tax of Rs. 27.52 Lakhs.

### ➤ TRANSFER TO RESERVES

Your Company has transferred Rs. 1,00,00,000 to General Reserve during the year.

### ➤ SHARE CAPITAL

Your Company's paid-up Equity Share Capital as on 31<sup>st</sup> March, 2018 is Rs. 6.50 crore, comprising of 65,00,000 Equity Shares of Rs.10 each, fully paid up.

Your Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Companies Act, 2013 ("Act") read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Your Company has not issued any sweat equity shares during the financial year under review and hence no information as per the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Your Company has not issued any equity shares under Employees Stock Option Scheme during the financial year under review and hence no information as per the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

### ➤ DEPOSITS

Your Company has not accepted/ renewed any deposits from the public or the Members, within the meaning of Section 73 of the Act read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2017-18.



The deposits, accepted in FY 2015-16 for a term of 3 years till 31<sup>st</sup> March, 2018 from the Members and the Directors of your Company, have been repaid either on the request of the deposit-holders before the expiry of the term or after the expiry of the term in accordance with the provisions of Section 73 of the Act read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014; and no amount of principal or interest on the said deposits 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. ICRA, a reputed Rating Agency, has rated the banking facilities enjoyed by your Company from its Bankers as "BBB+" for the long term and fund-based limits and A3+ for the non-fund based limits.

## ➤ **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES**

The particulars of loans, guarantees, investments and securities provided during the financial year under review, covered under the provisions of Section 186 of the Act have been provided in the Financial Statements, which forms part of this Annual Report. Your Company has complied with the provisions of Sections 185 and 186 of the Act to the extent applicable, with respect to the loans and investments made.

## ➤ **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 125 of the Act, dividend of Rs. 3.31 Lakhs pertaining to the financial year 2009-10, 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 established by the Central Government.

## ➤ **RELATED PARTY TRANSACTIONS**

Your Company has implemented a policy related to Related Party Transactions as framed by the Audit Committee. The said Policy is available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide -Company Policies.

During the financial year under review, your Company has entered into related party transactions on an arm's length basis in accordance with Section 188 of the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the same are provided in Form AOC-2 annexed hereto, which forms part of this Report.

Further, all such contracts/ arrangements/ transactions were placed before the Audit Committee and Board, for their approval. Prior omnibus approval of the Audit Committee/ Board is obtained on an annual basis, which is reviewed and updated on quarterly basis.

## ➤ **PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in the Annexure, which forms part of this Report.

## ➤ **PARTICULARS OF EMPLOYEES AND REMUNERATION**

(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 Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and form part of this Report.

(B) The details of the top 10 employees of the Company in terms of remuneration drawn as required under Section 134 of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and form part of this Report.

(C) None of the employees of the Company are drawing remuneration of Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month or for any part of the year and hence the particulars required to be disclosed under Section 134 of the Act read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required to be furnished.

## ➤ **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return for the financial year 2017-18 in Form MGT-9 pursuant to the provisions of Section 92 of the Act read with Rule 2 of the Companies (Management and Administration) Rules, 2014 as required under Section 134 of the Act is annexed hereto and forms part of this Report.

## ➤ **CORPORATE GOVERNANCE**

Pursuant to the provisions of Regulation 34(3) read with Schedule V (C) of the Listing Regulations, the Report on Corporate Governance is annexed hereto and forms part of this Report. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. The requisite Compliance Certificate as required under Part E of Schedule V of the Listing Regulations, issued by M/s. M. M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W), -Statutory Auditors, Mumbai, pertaining to the compliance of the conditions of Corporate Governance, is also annexed hereto.

## ➤ **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34(3) read with Schedule V (B) of the Listing Regulations, the Report on Management Discussion and Analysis is annexed hereto and forms part of this Report.



## ➤ **RISK MANAGEMENT**

Your Company recognizes the importance of managing risk in the business to sustain growth. The Board of Directors, along with the senior management of your Company, has developed and approved the Risk Management Policy framework and Guidelines, wherein all material risks faced by your Company are identified and assessed. The Risk Management Policy adopted by your Company lays down the systematic approach adopted by your Board to mitigate various risks viz. operational risk, financial risk, regulatory risk, reputational risk, etc. Your Company has entrusted the Audit Committee with the responsibility of implementing and monitoring of the Risk Management Policy on periodic basis.

## ➤ **INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS**

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, your Company has adopted "IND AS" with effect from 1<sup>st</sup> April, 2017 with the comparatives for the periods commencing from 1<sup>st</sup> April, 2016. The implementation of IND AS is a major change process for which your Company had established a project team and had dedicated considerable resources.

## ➤ **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) the applicable accounting standards had been followed along with proper explanation relating to material departures, if any, in the preparation of the annual accounts;
- (b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all the applicable laws have been devised and that such systems were adequate and are working effectively.

## ➤ **DIRECTORS AND KEY MANAGERIAL PERSONS**

The Directors of your Company are well experienced with expertise in their respective fields of manufacture, finance, strategic and operational management and administration. None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) and (b) of the Act. During the period under review, no Independent Director of your Company had any pecuniary relationship or transactions with the Company.

During the year under review, Mr. Jagrut Bhatt (DIN 00364725), Mr. Bharat Patel (DIN 00401741) and Mr. Dharmesh Patel (DIN 02615141) have resigned as Directors. The Board places its sincere appreciation for their services and expert inputs provided during their tenure as Directors of your Company.

Mr. Yatish Parekh (DIN 00168488), Mr. Mahesh Kabutarwala (DIN 00110317) and Mr. Sandeep Randery (DIN '07663581) have been appointed as Independent Directors at the 26<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> August, 2017, for a tenure of 5 years starting from 29<sup>th</sup> May, 2017.

Mr. Nilesh Patel (DIN 00141873), Non-Executive Director, is retiring by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. Further details of Mr. Nilesh Patel, as required under Regulation 36 of the Listing Regulations/ SS-2, are disclosed in the Corporate Governance Report annexed hereto and forming part of this Report.

The day-to-day operations of your Company are managed by its Key Managerial Persons ("KMP") viz. the Managing Director, Executive Director (Technical), the Chief Financial Officer and your Company Secretary. As required under the provisions of Section 203 of the Act, Mr. Himanshu Patel (DIN 00202312), Managing Director, Mr. Aalap Patel (DIN 06858672), Executive Director (Technical), Ms. Dhvani Shah, Company Secretary and Mr. Bipin Thakkar, Chief Financial Officer, are the Key Managerial Personnel of your Company as on the date of this Report.

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 Company Policies governing the appointment and remuneration of the Directors are annexed hereto and form part of this Report. The same are also available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide -Company Policies.

## ➤ **DECLARATIONS BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations, your Company has received individual declarations from all the Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and the Rules made thereunder.

There has been no change in the circumstances which may affect their status as Independent director during the financial year under review.



A Statement by the Managing Director regarding the said affirmation by the Independent Directors is annexed hereto and forms part of this Report.

The Board of Directors met four (4) times during the year under review in accordance with the provisions of the Act and the Rules made thereunder. The details thereof are given in the Corporate Governance Report annexed hereto and forming part of this Report.

## ➤ **PERFORMANCE EVALUATION OF THE DIRECTORS AND KMPs**

During the financial year 2017-18, the Board of Directors of your Company has carried out an Annual Performance Evaluation of the Board/ Committees and all the individual Directors as per the Company's Policy for Performance Evaluation of Directors. Performance evaluation sheets were distributed before the Meeting dates. The outcome of the above exercise of performance evaluation of all the Directors collectively and individually and the Board/ Committees was announced in the respective Meetings.

- (i) The Board, in its Meeting held on 10<sup>th</sup> February, 2018, has reviewed the evaluation task of the Board/ Committees collectively and the Independent Directors individually for the period from 1<sup>st</sup> January, 2017 to 31<sup>st</sup> December, 2017. In accordance with the provisions of the Section 149 of the Act read with Schedule IV, annual performance evaluation of the Independent Directors was carried out by the entire Board of Directors, excluding the Directors being evaluated.

The performance of each Independent Director has been evaluated on various parameters like engagement, leadership, analysis, decision making, knowledge updates, communication, governance, etc. The Board was satisfied that every Independent Director was reputed, acting professionally and has brought his/ her rich experience to the deliberations of the Board.

- (ii) The Independent Directors, in their separate Meeting held on 10<sup>th</sup> February, 2018, carried out the performance evaluation of all the non-Independent Directors, with special attention to the leadership criteria for the Managing Director and the Executive Director for the period from 1<sup>st</sup> January, 2017 to 31<sup>st</sup> December, 2017. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for purpose of evaluation included leadership, engagement, transparency, analysis, decision-making, functional knowledge, governance, ethical behaviour, interest for stakeholders, etc. The Independent Directors and the Board were of the view that all the non-Independent Directors 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**

The Corporate Social Responsibility ("CSR") Policy of your Company as approved by the Board of Directors is hosted on the Company's website, [www.glascoat.com](http://www.glascoat.com) under the Corporate Social Responsibility section. Your Company has formed a CSR Committee in accordance with the provisions of Section 135 of the Act, details of which are provided in the Corporate Governance Report annexed hereto and forming part of this Report.

The Annual Report on CSR activities as required under Sections 134 and 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under the CSR Policy for the financial year 2017-2018, amount unspent and the reason for the unspent amount, is annexed hereto and forms part of this Report.

## ➤ **VIGIL MECHANISM**

The Board, pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers), 2014, has formulated and implemented a Whistle Blower Policy for Directors and employees incorporating the Vigil Mechanism with a view to provide a mechanism which ensures adequate safeguards from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

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 2017-18, no employee has been denied access to the Compliance Officer/ the Chairperson of the Audit Committee.

An extract of the Whistle Blower Policy incorporating the Vigil Mechanism and the contact details of the relevant Officers are available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide -Whistle Blower Mechanism.

## ➤ **PREVENTION OF SEXUAL HARASSMENT AT THE WORKPLACE**

Your Company has framed a Policy against sexual harassment and a formal process for dealing with complaints of 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') at the Registered Office and Works of your Company to deal with the complaints received by your Company pertaining to gender discrimination and sexual harassment at workplace.

Further, as per the provisions of Sections 21 and 22 of the said Act, there are no complaints received or cases filed during the financial year 2017-18.

## ➤ **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except as disclosed elsewhere in the Annual Report, 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**

Your Company has strong integrated systems for internal controls commensurate with the size and nature of its business.

Investment decisions involving capital expenditure are subject to detailed appraisal and review by appropriate levels of authority. Capital and revenue expenditure are monitored and controlled with reference to pre-approved budgets and forecasts.

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. Your Company's management has established adequate internal control procedures over financial reporting.

In accordance with the requirements of Section 143(3)(i) of the Act, the Statutory Auditors have confirmed the adequacy and operating effectiveness of the internal financial control systems over financial reporting.

## ➤ **STATUTORY AUDITORS AND INDEPENDENT AUDITORS' REPORT**

M/s. M. M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) have been appointed as the Statutory Auditors of your Company for a tenure of 5 (Five) years from 28<sup>th</sup> August, 2017.

The Auditor's report given by M/s. M. M. Nissim & Co, Statutory Auditors, on the Financial Statements of your Company, for the year ended March 31, 2018, forms part of the Annual Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

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

## ➤ **REPORTING OF FRAUDS**

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

## ➤ **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Company has appointed M/s. D. G. Bhimani and Associates, Practising Company Secretaries (Membership No. FCS 8064) as the Secretarial Auditors for the financial year 2017-18 in accordance with Section 204 of the Act. The Report on Secretarial Audit for the financial year 2017-18, in Form MR-3, is annexed hereto and forms part of this Report. There is no qualification, reservation or adverse remark or any disclaimer in their Report.

In terms of Section 204 of the Act, on the recommendation of the Audit Committee, the Board has appointed M/s. D. G. Bhimani and Associates, Practising Company Secretaries, as the Secretarial Auditors for the financial year 2018-19. The Company has received their consent for the said appointment.

## ➤ **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING**

The Directors of your Company confirm that the applicable Secretarial Standards prescribed for the Board/ General meetings by the Institute of Company Secretaries of India and notified by the Central Government have been complied with during the financial year under review.

## ➤ **INTERNAL AUDITORS**

CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W) have conducted the internal audit of your Company for the financial year 2017-18. Further, CNK & Associates LLP, Chartered Accountants have been appointed as the Internal Auditors for the financial year 2018-19 and the Company has received their consent for the appointment.

## ➤ **COST RECORDS AND AUDIT**

Pursuant to Section 148 of the Act read with the Companies (Cost Record and Audit) Rules, 2014, your Company has duly maintained the cost records as prescribed. Presently, audit of the Cost Records is not prescribed or mandatory.

## ➤ **GENERAL**

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

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

Your Company does not have any subsidiaries, joint ventures or associate companies.

## ➤ **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  
Swiss Glascoat Equipments Limited**

**Sd/-**

**Mr. Himanshu Patel  
Chairperson and Managing Director**

**Date : 19<sup>th</sup> May, 2018  
Place: Vitthal Udyog Nagar**



## ANNEXURE TO THE BOARD REPORT

### STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS UNDER SECTION 134 OF THE COMPANIES ACT, 2013

In accordance with Section 134 of the Companies Act, 2013, I hereby confirm that the Independent Directors of the Company have affirmed their compliance with the criteria of independence as stipulated in Section 149 of the Companies Act, 2013 and Schedule IV - Code of Independence to the said Act.

For Swiss Glascoat Equipments Limited

Sd/-

Mr. Himanshu Patel

Chairperson and Managing Director

Date : 19<sup>th</sup> May, 2018

### CERTIFICATION BY THE CEO 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,  
Swiss Glascoat Equipments Limited,  
H-106, GIDC Estate,  
Viththal Udyognagar - 388121  
Dist. Anand, Gujarat.

Dear Sir(s),

We, Mr. Himanshu Patel, Managing Director of the Company and Mr. Bipin Thakkar, Chief Financial Officer of the Company, certify to the Board that -

- A. We have reviewed the Standalone Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2018 and the cash flow statement for the year 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 the 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 we 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 Auditors and the Audit Committee:
- (1) any significant changes in internal control over financial reporting during the year, if any;
  - (2) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - (3) any 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 Company's internal control system over financial reporting.

For Swiss Glascoat Equipments Ltd

Sd/-

Managing Director

Date: 19<sup>th</sup> May, 2018

For Swiss Glascoat Equipments Ltd

Sd/-

Chief Financial Officer:



## ANNEXURE TO THE BOARD REPORT

**INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE BOARD REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

### (A) Conservation of Energy

The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management Systems. It is making best endeavours to reduce energy consumption in all its operations and activities.

(i) To achieve the above objectives the following steps are being undertaken by the Company:

- I. Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- II. Continuously replacing the inefficient equipment with latest energy efficient technology and upgradation of equipment continually.
- III. Increasing the awareness of energy saving within the organization to avoid wastage of energy.
- IV. To enhance utilization of Renewable Energy Resources.
- V. Achieving the power factor closer to unity in the Plant by effective reactive energy management.
- VI. To reduce the Green House Emission by improving energy efficiency at the Plant.

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

As a measure to encourage Green Energy, the Company has installed a Windmill with an installed capacity of 1.25 MW at Baradiya in Jamnagar in Financial Year 2009-10 and it has generated over 20 lakhs units in Financial Year 2017-18.

(iii) Details of electricity consumption and cost during Financial Year 2017-18:

(i) **Total Electricity Consumption**

**A. Purchased from MGVL**

Total Units (in lakhs)	:	142.45
Total Cost (Rs. in lakhs)	:	1164.70
Rate per unit (Rs.)	:	8.18

**B. Own Generation through Windmill**

Total Units generated (in lakhs)	:	20.17
Total Cost (Rs. in lakhs)	:	35.68
Rate per unit (Rs.)	:	1.77

(ii) **Total Fuel Consumption of Oil Gas and Lubricants (Rs. in lakhs)** : 42.66

### (B) Technology Absorption, Adaption and Innovation

(i) Research and Development

On-going study in the following areas to reduce cost of conservation and improve the quality.

- I. Evaluation of the alternative materials to reduce the cost of raw material
- II. To modify the process parameters to improve the quality
- III. Expenditure on Research and Development: Not significant during the year

The Company believes in steady growth with technology and it executes this belief by installing various technological advancements at regular intervals such as auto-welding robots, hat lead to product improvement, product development, cost reduction and faster delivery.

### (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 outflows are as under:

	(Rs. in lakhs)
1. Total foreign exchange used	Rs. 141.96
2. Total foreign exchange earned	Rs. 224.96

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd**

**Sd/-**

**Mr. Himanshu Patel  
Chairperson and Managing Director**

**Date : 19<sup>th</sup> May, 2018  
Place : Vitthal Udyog Nagar**



## ANNEXURE TO THE BOARD REPORT

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
for the Financial year ended on 31st March, 2018**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L26100GJ1991PLC016173
ii)	Registration Date	26 <sup>th</sup> August, 1991
iii)	Name of the Company	Swiss Glascoat Equipments Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details	H-106, GIDC Estate, V. U. Nagar - 388121 Dist. Anand, Gujarat Ph. No.: (02692) 236842 to 236845 e-mail id: <a href="mailto:share@glascoat.com">share@glascoat.com</a>
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Baroda - 390020 C. No.: 0265-2356573 e-mail id: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products	NIC Code of the Product*	% to total turnover of the Company
1	Glass-lined Equipment	28299 - Manufacture of other Special Purpose Machinery	100.00

\* As per National Industrial Classification 2008 (NIC 2008) - Ministry of Statistics & Programme Implementation

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company doesn't have any holding, subsidiary or associate company.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	40000	-	40000	0.62%	40000	-	40000	0.62%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3225953	-	3225953	49.63%	3225953	-	3225953	49.63%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3265953</b>	<b>-</b>	<b>3265953</b>	<b>50.25%</b>	<b>3265953</b>	<b>-</b>	<b>3265953</b>	<b>50.25%</b>	<b>0.00%</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total share-holding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3265953</b>	<b>0</b>	<b>3265953</b>	<b>50.25%</b>	<b>3265953</b>	<b>0</b>	<b>3265953</b>	<b>50.25%</b>	<b>0.00%</b>



	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	7580	-	7580	0.12%	-	-	-	-	-0.12%
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>7580</b>	<b>0</b>	<b>7580</b>	<b>0.12%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>-0.12%</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	375104	700	375804	5.78%	236030	600	236630	3.64%	-2.14%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	885547	567600	1453147	22.36%	991090	434000	1425090	21.92%	-0.43%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	774237	-	774237	11.91%	799528	-	799528	12.30%	0.39%
c) Others									
i) HUFs	52255	-	52255	0.80%	102363	-	102363	1.57%	0.77%
ii) NRIs	45224	26,800	72024	1.11%	50132	15000	65132	1.00%	-0.11%
iii) OCB	-	497400	497400	7.65%	-	497400	497400	7.65%	0.00%
iv) Transfer to IEPF Authority	-	-	-	-	107004	-	107004	1.65%	1.65%
v) Unclaimed Shares	1600	-	1600	0.02%	900	-	900	0.01%	-0.01%
<b>Sub-total (B)(2)</b>	<b>2133967</b>	<b>1092500</b>	<b>3226467</b>	<b>49.63%</b>	<b>2287047</b>	<b>947000</b>	<b>3234047</b>	<b>49.75%</b>	<b>0.12%</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2141547</b>	<b>1092500</b>	<b>3234047</b>	<b>49.75%</b>	<b>2287047</b>	<b>947000</b>	<b>3234047</b>	<b>49.75%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>5407500</b>	<b>1092500</b>	<b>6500000</b>	<b>100.00%</b>	<b>5553000</b>	<b>947000</b>	<b>6500000</b>	<b>100.00%</b>	<b>0.00%</b>



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year*
		No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total shares	
1	HLE Engineers Private Limited	3225953	49.63%	-	3225953	49.63%	-	0.00%
2	Himanshu Patel	10000	0.15%	-	10000	0.15%	-	0.00%
3	Nilesh Patel	10000	0.15%	-	10000	0.15%	-	0.00%
4	Harsh Patel	10000	0.15%	-	10000	0.15%	-	0.00%
5	Aalap Patel	10000	0.15%	-	10000	0.15%	-	0.00%
	<b>Total</b>	<b>3265953</b>	<b>50.25%</b>	<b>-</b>	<b>3265953</b>	<b>50.25%</b>	<b>-</b>	<b>0.00%</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding of Promoter Group at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of co.	No. of Shares	% of total Shares of co.
	At the beginning of the year	3265953	50.25%		
Add	Changes during the year	0	0.00%	3265953	50.25%
	At the end of the year	-	-	<b>3265953</b>	<b>50.25%</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of co.				No. of Shares	% of total Shares of co.
1	Overseas Pearl Limited	497400	7.65	01.04.17	0	Nil movement during the year		
				31.03.18			497400	7.65
2	Patel Shashikant Purshottam Das	353100	5.43	01.04.17	0	Nil movement during the year		
				31.03.18			353100	5.43
3	Banco Products India Limited	132700	2.04	01.04.17	0	Nil movement during the year		
				31.03.18			132700	2.04
4	Investor Education and Protection Fund Authority- Ministry of Corporate Affairs	0	0.00	01.04.17	0			
				15.12.17	102500	Transfer of Shares vide Operation of Law	102500	1.58
				26.12.17	3104		105604	1.62
				28.12.17	1400		107004	1.65
				31.03.18			107004	1.65
5	Hasumati Kanubhai Patel	71,000	1.09	01.04.17	0	Nil movement during the year		
				31.03.18			71000	1.09
6	Neepe K. Shah	44341	0.68	01.04.17	0	Nil movement during the year		
				31.03.18			44,341	0.68
7	Kamlesh Navinchandra Shah	22900	0.35	01.04.17				
				04.08.17	16600	Purchase through Open Market	39500	0.61
				31.03.18			39500	0.61
8	Patel Harshikaben Shantilal	36900	0.57	01.04.17	0	Nil movement during the year		
				31.03.18			36900	0.57
9	Purshottam Karsandasji Tank	1,000	0.02	01.04.17				
				02.06.17	9990	Purchase through Open Market	10,990	0.17
				09.06.17	5000		15990	0.25
				21.07.17	10		16000	0.25
				22.12.17	15700		31700	0.49
				31.03.18			31700	0.49



10	Lincoln Coelho	30000	0.46	01.04.17	0	Nil movement during the year		
				31.03.18			30000	0.46
11	Banco Aluminium Limited	35000	0.54	01.04.17				
				14.04.17	-2754		32246	0.50
				28.04.17	-249		31997	0.49
				05.01.18	-1600	Sale through Open Market	30397	0.47
				12.01.18	-800		29597	0.46
				19.01.18	-800		28797	0.44
				31.03.18			28797	0.44
12	Chander Mohan Bhatia	112399	1.73	01.04.17				
				07.04.17	1860		114259	1.76
				14.04.17	200		114459	1.76
				21.04.17	-10123		104336	1.61
				28.04.17	-3642		100694	1.55
				05.05.17	-1500		99194	1.53
				12.05.17	-39689		59505	0.92
				02.06.17	-2483	Purchase/ Sale through Open Market	57022	0.88
				28.07.17	-7891		49131	0.76
				04.08.17	-6911		42220	0.65
				11.08.17	-2657		39563	0.61
				01.09.17	-3346		36217	0.56
				08.09.17	-13760		22457	0.35
				15.09.17	-11400		11057	0.17
				22.09.17	-3951		7106	0.11
				29.09.17	-7106		0	0.00
				31.03.18			0	0.00
13	LSC Securities Limited	69305	1.07	01.04.17				
				07.04.17	1317		70622	1.09
				14.04.17	-57141		13481	0.21
				21.04.17	1510		14991	0.23
				28.04.17	-903		14088	0.22
				05.05.17	-42		14046	0.22
				12.05.17	-607		13439	0.21
				19.05.17	-10		13429	0.21
				02.06.17	200		13629	0.21
				09.06.17	225		13854	0.21
				16.06.17	-425		13429	0.21
				23.06.17	-1793		11636	0.18
				07.07.17	-36		11600	0.18
				28.07.17	1150		12750	0.20
				04.08.17	-1150		11600	0.18
				08.09.17	18932	Purchase/ Sale through Open Market	30532	0.47
				15.09.17	-3510		27022	0.42
				22.09.17	-6283		20739	0.32
				29.09.17	-745		19994	0.31
				06.10.17	-3777		16217	0.25
				13.10.17	-10397		5820	0.09
				20.10.17	-975		4845	0.07
				27.10.17	-3825		1020	0.02
				03.11.17	3510		4530	0.07
				10.11.17	-4530		0	0.00
				01.12.17	2865		2865	0.04
				08.12.17	239		3104	0.05
				15.12.17	-3104		0	0.00
				05.01.18	100		100	0.002
				12.01.18	-100		0	0.00
				31.03.18			0	0.00



(v) **Shareholding of Directors and Key Managerial Personnel (KMP):**

Sr. No.	Name	Shareholding of Promoter Group at the beginning of the year		Date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding	
		No. of Shares	% of total Shares of co.				No. of Shares	% of total Shares of co.
1	Himanshu Patel	10000	0.15	01.04.17	-	Nil movement during the year		
				31.03.18	-		10000	0.15
2	Aalap Patel	10000	0.15	01.04.17	-	Nil movement during the year		
				31.03.18	-		10000	0.15
3	Nilesh Patel	10000	0.15	01.04.17	-	Nil movement during the year		
				31.03.18	-		10000	0.15
4	Harsh Patel	10000	0.15	01.04.17	-	Nil movement during the year		
				31.03.18	-		10000	0.15
5	Sudarshan Amin	-	-	01.04.17	-	Nil movement during the year		
				31.03.18	-		-	-
6	Janardan Shukla	-	-	01.04.17	-	Nil movement during the year		
		-	-	31.03.18	-		-	-
7	Vijyanti Punjabi	-	-	01.04.17	-	Nil movement during the year		
				31.03.18	-		-	-
8	Yatish Parekh	-	-	01.04.17	-	Nil movement during the year		
				31.03.18	-		-	-
9	Mahesh Kabutarwala	-	-	01.04.17	-	Nil movement during the year		
				31.03.18	-		-	-
10	Sandeep Randery	-	-	01.04.17	-	Nil movement during the year		
				31.03.18	-		-	-
11	Dhwani Shah Company Secretary	10	0.0002	01.04.17		Nil movement during the year		
				31.03.18	-		10	0.0002
12	Bipin Thakkar Chief Financial Officer	10	0.0002	01.04.17		Open Market Purchase		
				09.03.18	100		110	0.002
		-	-	31.03.18	-		110	0.002

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/ accrued, but not due for payment

(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the FY</b>		-		
i) Principal Amount	915.13	0.00	249.00	1164.13
ii) Interest due but not over due	3.52	0.00	0.00	3.52
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>918.65</b>	<b>0.00</b>	<b>249.00</b>	<b>1167.65</b>
<b>Change in Indebtedness during the FY</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	-328.42	0.00	-249.00	-577.42
<b>Net Change</b>	<b>-328.42</b>	<b>0.00</b>	<b>-249.00</b>	<b>-577.42</b>
<b>Indebtedness at the end of the FY</b>				
i) Principal Amount	590.23	0.00	0.00	590.23
ii) Interest due but not over due	2.26	0.00	0.00	2.26
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>592.49</b>	<b>0.00</b>	<b>0.00</b>	<b>592.49</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director (MD) and Whole-time Director (WTD):**

(Rs.in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total
		Himanshu Patel (MD)	Aalap Patel (WTD)	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	44.59 0.29 -	26.80 0.29 -	71.39 0.58 -
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	8.09	-	8.09
5.	Others - Bonus	0.03	0.03	0.06
	<b>Total (A)</b>	<b>53.00</b>	<b>27.12</b>	<b>80.12</b>
	Ceiling as per the Act			<b>89.03</b>

\* The Remuneration to the Managing Director(s) and the Whole time Director(s) has been paid in accordance with the provisions of Section 198 of the Companies Act, 2013 read with Schedule V to the Act and the Rules made there under.

**B. Remuneration to Non-Executive and Independent Directors**

The Non-Executive Directors do not receive any remuneration except sitting fees of Rs. 15000 per Board Meeting of the Company attended by them. The details of the sitting fees paid to the Non-Executive Directors for attending the Board Meetings have been disclosed in this Report. The sitting fees paid to the Non-Executive Directors for attending the Board Meetings are within the limits specified by the Companies Act, 2013. Except the above, the Independent Directors do not have any other pecuniary relationship with the Company.

(Rs.in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total
		Janardan Shukla	Vijayanti Punjabi	Mahesh Kabutarwala	Yatish Parekh	Sandeep Randery	
1.	<b>Independent Directors</b>						
	Fee for attending board/ committee meetings	0.60	0.60	0.30	0.45	0.30	
	<b>Independent Directors</b>	<b>Jagrut Bhatt</b>	<b>Bharat Patel</b>	<b>Dharmesh Patel</b>			
	Fee for attending board/ committee meetings	0.15	0	0.15			<b>2.55</b>
2.	<b>Other Non - Executive Directors</b>	<b>Nilesh Patel</b>	<b>Harsh Patel</b>	<b>Sudarshan Amin</b>			
	Fee for attending board/ committee meetings	0.60	0.60	0.45			<b>1.65</b>
	<b>Total (B) = (1+2)</b>						<b>4.20</b>

**C. Remuneration to Key Managerial Personnel Other Than Manager/ WTD**

(Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	5.70 - -	10.73 0.21 -	16.43 0.21 -
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Bonus	0.11	0.11	0.22
	<b>Total</b>	<b>5.81</b>	<b>11.05</b>	<b>16.86</b>



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made,if any
A. COMPANY					
Penalty	-- NONE --				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	-- NONE --				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	-- NONE --				
Punishment					
Compounding					

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd  
Sd/-**

Mr. Himanshu Patel  
**Chairperson and Managing Director**

**Date :** 19<sup>th</sup> May, 2018  
**Place :** Vitthal Udyognagar



## ANNEXURE TO THE BOARD REPORT

### FORM NO. AOC-2

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

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

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

During the year, the Company hasn't entered into any contracts/ arrangements with any of the related party which are not on arm's length basis.

**B. Details of material contracts or arrangement or transactions at arm's length basis**

<b>(I) Availing of Services</b>	
(a) Name(s) of the related party and nature of relationship	: Shree Hari Manpower Agency Mr. Bipin Thakkar-Chief Financial Officer is the brother of the proprietor of the said service provider
(b) Nature of contracts/arrangements/transactions	: Availing of Services
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: <u>Period of Transactions</u> : 1 <sup>st</sup> July, 2017 to 30 <sup>th</sup> June, 2018 <u>Scope of work</u> : As per Agreement <u>Monthly consideration</u> : As per Agreement The Contractor is independent of the Company and is responsible for payment of all statutory liabilities arising out of employment of contract labourers as the principal employer.
(e) Date(s) of approval by the Audit Committee/ Board, if any	: 29 <sup>th</sup> May, 2017
(f) Amount paid as advances, if any:	: None
<b>(II) Availing of Services</b>	
(a) Name(s) of the related party and nature of relationship	: M/s. Chemfilt Mr. Sudarshan Amin - Non-Executive Director of the Company is a partner of M/s. Chemfilt
(b) Nature of contracts/ arrangements/ transactions	: Availing of Services
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: <u>Period of Transactions</u> : 1 <sup>st</sup> August, 2017 to 31 <sup>st</sup> July, 2018 The maximum value of job work of components is within the limits as permissible and approved by the Board and the Audit Committee. Omnibus approval given as the frequency of outsourcing of job work depends on the workload of orders received by the Company from its customers.
(e) Date(s) of approval by the Audit Committee/ Board, if any	: 25 <sup>th</sup> July, 2017
(f) Amount paid as advances, if any:	: None
<b>(III) Purchase/ Sales of Goods and/ or Services</b>	
(a) Name(s) of the related party and nature of relationship	: HLE Engineers Private Limited Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Nilesh Patel and Mr. Harsh Patel - Non-Executive Directors of the Company are the Directors and Mr. Aalap Patel - Executive Director (Technical) of the Company is the shareholder of HLE Engineers Private Limited.
(b) Nature of contracts/ arrangements/ transactions	: Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: <u>Period of Transactions</u> : 1 <sup>st</sup> August, 2017 to 31 <sup>st</sup> July, 2018 The maximum value of purchase/ sales of goods and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board Omnibus approval given as the frequency of purchase/sales depends on the orders received by the Company from its customers.
(e) Date(s) of approval by the Audit Committee/ Board, if any	: 25 <sup>th</sup> July, 2017
(f) Amount paid as advances, if any:	: None



## FORM NO. AOC-2

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

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

### B. Details of material contracts or arrangement or transactions at arm's length basis

<b>(IV) Purchase/ Sales of Goods and/ or Services</b>	
(a) Name(s) of the related party and nature of relationship	: Yashashvi Rasayan Private Limited Mr. Himanshu Patel - Chairperson and Managing Director, Mr. Nilesh Patel and Mr. Harsh Patel - Non-Executive Directors of the Company are the Directors of Yashashvi Rasayan Private Limited Mr. Aalap Patel - Executive Director (Technical) of the Company is son of Mr. Nilesh Patel
(b) Nature of contracts/ arrangements/ transactions	: Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: Period of Transactions: 1st September, 2017 to 31st August, 2018 The maximum value of purchase/ sales of goods and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the Audit Committee/ Board. Omnibus approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
(e) Date(s) of approval by the Audit Committee/ Board, if any	: 8th September, 2017
(f) Amount paid as advances, if any:	: None
<b>(V) Contract for Lease</b>	
(a) Name(s) of the related party and nature of relationship	: M/s. Chemfilt Mr. Sudarshan Amin - Non-Executive Director of the Company is a partner of M/s. Chemfilt
(b) Nature of contracts/ arrangements/ transactions	: Lease Agreement
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: Period of Transactions: 11th September, 2017 to 10th September, 2018 The Company entered into a new lease agreement with M/s. Chemfilt on the basis of the same terms and conditions, including lease rent that was executed for a period of 3 years starting from 11th September, 2014 and expired on 10th September, 2017, for taking on its lease its state-of-art production set-up.
(e) Date(s) of approval by the Audit/ Committee/ Board, if any	: 8th September, 2017
(f) Amount paid as advances, if any:	: None
<b>(VI) Purchase/ Sales of Goods and/ or Services</b>	
(a) Name(s) of the related party and nature of relationship	: M/s. Chemfilt Mr. Sudarshan Amin - Non-Executive Director of the Company is a partner of M/s. Chemfilt
(b) Nature of contracts/ arrangements/ transactions	: Purchase/ Sales of Goods and/ or Services (including sales returns and purchase return)
(c) Duration of the contracts/ arrangements/ transactions	: 12 months
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	: Period of Transactions: 11th February, 2018 to 10th February, 2019 The maximum value of purchase/ sales of goods and/ or services (net of purchase return/ sales return, if any) is within the limits as permissible and approved by the the Audit Committee / Board. This approval is in supersession of the earlier omnibus approval provided in the Audit Committee Meeting held on 25th July, 2017. Omnibus approval given as the frequency of purchase/ sales depends on the orders received by the Company from its customers.
(e) Date(s) of approval by the Audit/ Committee/ Board, if any	: 10th February, 2018
(f) Amount paid as advances, if any:	: None

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd**

**Sd/-**

**Mr. Himanshu Patel  
Chairperson and Managing Director**

**Date : 19<sup>th</sup> May, 2018  
Place : Vitthal Udyognagar**



## ANNEXURE TO THE BOARD 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 2017-18	Ratio of Remuneration to MRE ^ for FY 2017-18	
		Excl. KMP	Incl. KMP
Managing Director	17.52	20.15	20.10
Executive Director (Technical)	29.50	10.31	10.28
Company Secretary	7.84	-	-
Chief Financial Officer	10.79	-	-

\* Mr. Sudarshan Amin and Mr. Tanmay Patel have resigned as the Managing Director and Executive Director (Technical) respectively w.e.f. 31<sup>st</sup> December, 2016; while Mr. Himanshu Patel and Mr. Aalap Patel have been appointed as the Managing Director and the Executive Director (Technical) respectively w.e.f. 31<sup>st</sup> December, 2016. Hence, the total percentage increase in the remuneration of the Managing Director and the Executive Director (Technical) in FY 2017-18 has been stated accordingly.

^ Median Remuneration of Employees

Median remuneration of employee	% change in median remuneration in 2017-18
Excl. Remuneration of KMPs	0.92
Incl. Remuneration of KMPs	-2.29

### Notes:

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

The aforesaid remuneration of KMPs and employees is based on the annualised cost to the Company.

The Managing Director is paid commission @ 1% of the net profits of the Company as per the Agreement executed with him.

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

During FY 2017-18, 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	31 <sup>st</sup> March, 2018
Excl. KMPs	91
Incl. KMPs	95

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 FY 2017-18
Average Salary of the employees (excl KMP)	6.22%
Average Salary of KMPs*	-

\* Mr. Himanshu Patel and Mr. Aalap Patel have been appointed as the Managing Director and the Executive Director (Technical) respectively w.e.f. 31<sup>st</sup> December, 2016. Hence, the average percentile increase in the managerial remuneration of the KMPs and its comparison with that of other employees of the Company has not been provided.

By the Order of the Board of  
Swiss Glascoat Equipments Ltd

Sd/-

Mr. Himanshu Patel  
Chairperson and Managing Director

Date : 19<sup>th</sup> May, 2018  
Place : Vitthal Udyog Nagar



## ANNEXURE TO THE BOARD 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	Rajesh Prachchhak	SGM(Operations)	1735084	Permanent	BE Mechanical	1 <sup>st</sup> February, 2017	48	HLE Engineers Pvt Ltd	-	None
2	Bharat Dhanak	GM (Marketing)	1682996		B.Com , PG (IT)	5 <sup>th</sup> October, 2011	40	Standard Radiator Pvt Ltd	-	
3	Ashley p. Lemos	AGM (Marketing)	1605080		BE Mechanical	8 <sup>th</sup> January, 2008	47	Jofflow Centrifuges Pvt Ltd	-	
4	Sudesh Banik	AGM (Lining)	1155800		B.Sc	9 <sup>th</sup> August, 1995	66	BRB Cable	-	
5	Amit Sinha	GM (Works)	1475480		BE Mechanical	11 <sup>th</sup> February, 2013	41	Standard Radiator Pvt Ltd	-	
6	Divyesh Chapla	AGM (Design)	844520		Diploma Civil	1 <sup>st</sup> March, 1994	44	N.A.	0.01	
7	Rijo Mathew	Dy. Manager (Marketing)	634280		ME E-Business	1 <sup>st</sup> July, 2010	32	N.A.	-	
8	Nikul Thaker	Dy. Manager (P&P)	538880		ITI, Fitter	15 <sup>th</sup> July, 2010	50	N.A.	0.0015	
9	Chetan Patel	Dy. Manager (P&P)	516440		Diploma Mechanical	1 <sup>st</sup> October, 2010	44	N.A.	0.0015	
10	Dharmendra Parekh	Dy. Manager (Quality)	495440		Diploma Mechanical	22 <sup>nd</sup> October, 2007	49	H.S.E Engineers Pvt Ltd	-	

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd**

**Sd/-**

**Mr. Himanshu Patel  
Chairperson and Managing Director**

**Date : 19<sup>th</sup> May, 2018  
Place : Vitthal Udyognagar**



## ANNEXURE TO THE BOARD REPORT

### DETAILS RELATED TO CORPORATE SOCIAL RESPONSIBILITY [CSR] OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18

- The Company believes in enriching the Society and the surrounding environment and it has accordingly formulated a policy related to CSR and an extract of the CSR Policy is available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under 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/ programmes/ activities, if any, shall not form part of business profits.
- The Board has re-constituted the CSR Committee during the Financial Year 2017-18 in its Board Meeting held on 29th May, 2017 and the composition of the CSR Committee during the Financial Year 2017-18 was as under:

Sr. No.	Name of Committee Member	Designation
1.	Mr. Sandeep Randery, Independent Director	Chairperson
2.	Ms. Vijayanti Punjabi, Independent Director	Member
3.	Mr. Aalap Patel, Executive Director (Technical)	Member

- Average Net Profit for last 3 financial years Rs. 553.11 Lakhs
- Prescribed CSR amount to be spent for the 2017-18 Rs. 11.06 Lakhs  
(2% of the average net profit)
- Details of CSR spent during 2017-18:
  - Total amount to be spent during 2017-18 Rs. 36.24 Lakhs
  - Amount unspent, if any: Rs. 36.24 Lakhs
  - Manner in which amount spent: --

- Reasons of not expending allocated CSR fund for FY 2017-18 in full:

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then enhancing the initiatives to enable maximum benefit to the community. Further, it was envisaged by the CSR Committee to leverage funds from other like-minded corporates, under the common flagship of a dedicated Foundation, to achieve larger outreach and have a reasonable geographical coverage for demonstrable impact. The proposed CSR activities relate to community welfare, healthcare and sanitation. Also, to the meet the goals and the objectives stated in the project framework, there is a wider set of field activities that would be involved with various functionaries, communities and the administrative counterparts.

Your Company is actively working on the operational strategy to implement the CSR projects during the financial year 2018-19.

- The implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives of the Company.

#### For Swiss Glascoat Equipments Limited

Sd/-

Mr. Sandeep Randery  
Chairperson -  
CSR Committee

Sd/-

Mr. Himanshu Patel  
Chairperson and  
Managing Director

Date : 19<sup>th</sup> May, 2018  
Place : Vitthal Udyognagar



## ANNEXURE TO THE BOARD REPORT

### POLICY GOVERNING APPOINTMENT OF THE DIRECTORS

#### A. OBJECTIVE:

The operations of the Company are managed under the direction of the Board and within the framework set by the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company. The Directors are also governed by Internal codes/ procedures prescribed within the Company from time to time.

This Policy lays down the framework (formulated in accordance with the applicable laws) which acts as a guide for the appointing authority for appointment of the Directors on the Board.

This Policy shall be framed and implemented by the Nomination and Remuneration Committee, subject to approval by the Board.

#### B. GUIDING PRINCIPLES FOR APPOINTMENT OF THE DIRECTORS:

The Nomination and Remuneration Committee ("NRC") has been constituted by the Board so as to fulfill the aforesaid purpose. One of the main roles of the said Committee as stated in its Charter, is to identify the persons who are qualified to become Directors in accordance with the criteria laid down herein and recommend their appointment to the Board.

The Company's Board shall comprise of Directors possessing diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.

The Committee shall select those persons as the Directors of the Company who have willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

A Director shall possess the highest personal and professional ethics, integrity and values. They shall be able to balance the legitimate interests and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

#### C. APPOINTMENT OF DIRECTORS:

At any point of time, the Board Composition of the Company shall be in accordance with the Charter of the Board of Directors formulated as per the provisions of the Companies Act, 2013 and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed with the BSE Ltd.

The person appointed/ to be appointed as a Director shall perform his duties in accordance with that stated in the Charter of the Board of Directors and shall act within the framework of that Charter, the Act and other applicable laws.

In accordance with the current requirements of the Companies Act, 2013 and the Rules made thereunder and other applicable provisions, at any point of time, the Company shall have atleast one woman director and at least one Director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

#### 1. Criteria for Appointment of Directors:

A Director should possess few Basic Qualities stated as follows:

- |                         |                                   |
|-------------------------|-----------------------------------|
| i) Emotional Balance    | iv) Representational Qualities    |
| ii) Business Judgement  | v) Problem Solving and Innovation |
| iii) Business Awareness |                                   |

A person to be appointed as a Director shall not possess any Disqualifications as stipulated in Section 164 of the Companies Act, 2013, which states that:

- (1) A person shall not be eligible for appointment as a director of a company, if
  - (a) he is of unsound mind and stands so declared by a competent court;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudicated as an insolvent and his application is pending;
  - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
 

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
  - (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
  - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
  - (h) he has not complied with sub-section (3) of section 152.
- (2) No person who is or has been a director of a company which—
  - (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.



## 2. Manner of Appointment/ Re-appointment/ Resignation/ Removal of Directors:

The Committee shall appoint/ re-appoint the Director on the Board in accordance with the provisions of Sections 152 to 169 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The Board, through the Nomination and Remuneration Committee, shall appoint any additional, alternate director or a director in casual vacancy in accordance with Section 161 of the Companies Act, 2013.

Further, a person can resign as a Director or be removed by the Board or the Shareholders in accordance with the provisions of Sections 168 and 169 of the Companies Act, 2013. Section 167 of the aforesaid Act stipulates the circumstances wherein the office of a director becomes vacant.

The Director resigning from the Company and the Company shall inform the Registrar of Companies along with detailed reasons for resignation.

## D. APPOINTMENT OF EXECUTIVE (MANAGING/ WHOLE-TIME) DIRECTORS

### 1. Criteria for Appointment of Executive Directors:

Section 2(54) of the Companies Act, 2013 lays down the definition of the Managing Director as follows:

**“managing director”** means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

**Explanation.**—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

**Whole-time Director** includes a director in the whole-time employment of the company (Section 2(94) of the Companies Act, 2013)

Further, Managing Director works with other top-tier executives to oversee the operations of companies and organizations across a variety of industries, such as banking, healthcare, marketing, advertising, information technology, and government. A Managing Director, assisted by top management, has to develop strategic marketing and sales plans to boost profits and efficiency. He also has to coordinate the efforts of various departments, such as legal, finance, marketing, and sales, to meet company goals. Executive Directors oversee other managers or department heads, and they often report to the Board of Directors.

In addition to the qualities of a Director stated above, the person appointed or to be appointed as the Managing Director/ Executive Director shall have experience in a senior leadership role for an organisation. A tertiary qualification in business administration, commerce or law, or a qualification relevant to the organisation's area of business is also useful.

#### ➤ **Personal requirements**

Managing Director/ Executive Directors need to be:

- able to multitask and delegate
- skilled at planning and organising
- skilled at problem-solving and decision-making
- good at communicating
- able to analyze information
- positive and adaptable
- able to work well under pressure
- have a sense of responsibility and accountability of his powers and duties to the Board and stakeholders
- results oriented and creative in addition to having strong business-development skills and the ability to interact with clients, staff and senior management.
- effective communicators with excellent leadership skills, management experience and the ability to motivate employees.

#### ➤ **Useful experience**

Useful experience for Managing Director/ Executive Directors includes:

- I using leadership skills in challenging situations
- I possessing thorough knowledge and experience of field of operations of the company.

## 2. Manner of Appointment of the Executive Directors:

Section 196 of the Companies Act, 2013 along with Part I of the Schedule V thereto govern the provisions relating to the appointment of the Executive Directors. In line with the provisions of Sections 196 to 200 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

## E. APPOINTMENT OF INDEPENDENT DIRECTORS

### 1. Criteria for Appointment of Independent Directors:

Section 149(6) of the Companies Act, 2013 and rules made there under lay down additional criteria, besides that laid down for Directors, for appointment of any person as an Independent Director:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;



- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is more, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company;
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

**Schedule IV to the Companies Act, 2013 - Code for Independent Directors provides that-**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

**2. Manner of Appointment/ Re-appointment/ Resignation/ Removal of the Independent Directors:**

Sub-sections (10) to (13) of Section 149 of the Companies Act, 2013, Schedule IV thereto applicable Rules framed there under govern the manner of appointment of the Independent Directors.

In accordance with the aforesaid provisions, an Independent Director shall not hold office for more than two consecutive terms of a period of 5 consecutive years. However, such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director; provided he has not, during the said period of three years, been appointed in or been associated with the company in any other capacity, either directly or indirectly.

**Extract of Schedule IV to the Companies Act, 2013:**

**IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;



- (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The Letter of appointment along with detailed profile of the independent directors shall also be disclosed on the company's website and the Stock Exchange not later than one working day from date of appointment.

## V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

## VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

In general, the Managing Director/ Executive Directors and Independent Directors are appointed vide agreement designed within the aforesaid framework between the individual and the Company. Further, such Directors cannot be appointed for more than 5 consecutive years at a time.

## F. DISCLOSURES

The Company shall provide following information to shareholders:

### 1. Appointment of a new director or re-appointment of a director:

- a. A brief resume of the director;
- b. Nature of his expertise in specific functional areas;
- c. Names of companies in which the person also holds the directorship and the membership of Committees of the Board; and Non-executive directors shall be required to disclose their shareholding (both own or held by / for other persons on a beneficial basis) in the listed company in which they are proposed to be appointed as directors, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such director

### 2. Disclosure of resignation of directors

- a. The company shall disclose the letter of resignation along with the detailed reasons of resignation provided by the director of the company on its website not later than one working day from the date of receipt of the letter of resignation.
- b. The company shall also forward a copy of the letter of resignation along with the detailed reasons of resignation to the stock exchanges not later than one working day from the date of receipt of resignation for dissemination through its website.

## G. AMENDMENT

The Nomination and Remuneration Committee reserves its right to amend or modify this Policy in whole or in part, subject to approval by the Board, at any time consequent upon any amendment to applicable laws of land.

## REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

### OBJECTIVE

The object of this Remuneration Policy is to make Swiss Glascoat Equipments Limited a desirable workplace for competent employees and thereby secure the Company's competitiveness, future development and acceptable profitability.

The Remuneration Policy for the Board Members reflects the interests of the shareholders and the company, taking into consideration any specific matters, including the level in comparable companies, the assignments and the responsibility undertaken, Board Members' required competencies, effort and the scope of the board work, including the number of meetings the remuneration of other employees of the Company and thereby aim to secure coordinated and fair Remuneration Policy for the Company.

This Policy shall be framed and implemented by Nomination and Remuneration Committee, subject to approval by the Board.

The policy is built on the following principles:

Transparent – the policy and its execution are clear and practical

Alignment – the remuneration policy is aligned with the policy for other employees of the Companies

Long-term – the incentives focus on long-term value creation

Compliant – the standards of good corporate governance have been adopted

Simple – the policy and its execution are as simple as possible and easily understandable to all stakeholders



The Committee takes cognizance of market norms and practices, as well as the additional responsibilities placed on Board members by new legislation and corporate governance principles.

This Policy delineating the structure of Remuneration package including the basic salary, allowances, bonus and perquisites to the Directors and the Board shall be in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the BSE Ltd as amended from time to time.

## **GUIDELINES FOR REMUNERATION TO THE DIRECTORS:**

In line with Section 197 of the Companies Act, 2013, the total managerial remuneration payable by Swiss Glascoat Equipments Limited to its directors, including managing director and whole-time director, in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits

However, the company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the company, subject to the provisions of Schedule V to the Act.

Further, if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole-time director or manager, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V and if it is not able to comply with such provisions, with the previous approval of the Central Government.

The net profits for the purposes of this section shall be computed in the manner referred to in section 198 of the Act

## **REMUNERATION TO THE EXECUTIVE DIRECTORS:**

The Executive Management of the Company includes the Executive Directors- Managing and Whole-time Directors who are employed under executive service contracts as set by the Board of Directors.

The Nomination and Compensation Committee submits proposals concerning the remuneration of the Senior Management Executives and ensures that the remuneration is in line with the conditions in comparable companies. The proposals are submitted for approval in a Board meeting.

### **1. Remuneration to Managing Director/ Whole-time Directors:**

In line with the provisions of Sections 196 to 200 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule Executive directors are subject to the Company's standard terms and conditions of employment. A written employment contract shall be prepared between the Company and the Managing Director/ Whole-time Directors, containing details of his main duties and responsibilities. The amount of basic salary and other remuneration shall take into account his education, working experience and previous employment. Other details of his remuneration, such as bonus, allowances and perquisites, terms of notice and all payments due to the Managing Director/ Whole-time Directors upon termination of the contract, etc., shall be mentioned in the employment contract.

The basic salary of the Managing Director/ Whole-time Directors may be revised annually considering their performance, the development of salaries for similar positions in comparable and the general performance and operations of the Company. The Nomination and Remuneration Committee recommends any revision in remuneration to the Board.

The remuneration payable to any one Managing Director; or Whole-time director or manager shall not exceed five per cent. of the net profits of the Company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;

The Executive Directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

### **2. Bonuses and Incentives**

The Executive Directors may be paid cash bonuses or incentives directly related to the working performance of the individual employees, their status and responsibility, the economic performance of the Company, the achievements of certain operational goals, including reaching certain budget targets. Such bonuses or incentives can only be offered to employees who are still working for the Company at the time when the bonuses are due for payment. Bonus payments are always subject to the applicable laws.

Where any insurance is taken by a company on behalf of its Executive Directors for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **3. Personal benefits**

Executive Directors have access to a number of work-related benefits, including company car, free telephony, broadband at home, and work-related newspapers and magazines. The extent of individual benefits is negotiated with each individual member of the Executive Management.

## **REMUNERATION TO THE NON-EXECUTIVE DIRECTORS**

The Company's Policy on remuneration for non-executive directors is that, as a general guideline, shall:

- be performance-related and market-related (having regard to number of meetings attended by non-executive directors of companies of similar size and structure to the company and operating in similar sectors); and
- not linked to Company's share price or the company's performance.

All fees /compensation, if any paid to Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors within the limits stipulated by law.

The Company pays for all travel and accommodation expenses incurred by directors on official visits for company purpose.



No severance fees is paid to the Non-Executive Directors consequent to retirement or resignation or any other circumstances.

**1. Remuneration to Non-Executive Directors other than Independent Directors:**

The remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—

- one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;
- three per cent. of the net profits in any other case.

The percentages aforesaid shall be exclusive of sitting fees payable to the directors.

**2. Remuneration to the Independent Directors:**

The Companies Act, 2013 expressly disallows independent directors from obtaining stock options and remuneration other than sitting fees and reimbursement of travel expenses for attending the board and other meetings.

However, the Company may pay to them any profit-related Commission, subject to the approval of the shareholders. The reason behind it to prevent personal financial nexus with the Company and to safeguard their independence.

**APPROVAL OF THE REMUNERATION**

The remuneration payable to the directors of a company, including any managing or whole-time director or manager, shall be determined, in accordance with and subject to the provisions of this section, either by the articles of the company, or by a resolution or, if the articles so require, by a special resolution, passed by the company in general meeting and the remuneration payable to a director determined aforesaid shall be inclusive of the remuneration payable to him for the services rendered by him in any other capacity as stipulated in the Companies Act, 2013.

The remuneration payable to the Senior Management Executives shall be approved by the Board of Directors, on recommendation of the Nomination and Remuneration Committee.

**COMPENSATION FOR LOSS OF OFFICE**

In line with the Companies Act, 2013, a company may make payment to a managing or whole-time director or manager, but not to any other director, by way of compensation for loss of office, or as consideration for loss of office or for retirement from office or in connection with such loss or retirement.

No Senior Management Executive shall be paid by the company either by way of compensation for loss of office, or as consideration for loss of office or for retirement from office or in connection with such loss or retirement.

**RECOVERY OF REMUNERATION IN CERTAIN CASES**

Without prejudice to any liability incurred under the provisions of the Companies Act, 2013 or any other

**ANNEXURE TO THE BOARD REPORT**

law for the time being in force, where a company is required to re-state its financial in certain cases, statements due to fraud or non-compliance with any requirement under this Act and the rules made there under, the company shall recover from any past or present managing director or whole-time director or manager or Chief Executive Officer (by whatever name called) who, during the period for which the financial statements are required to be re-stated, received the remuneration (including stock option) in excess of what would have been payable to him as per restatement of financial statements.

**DISCLOSURES**

A notice convening Board or general meeting for considering the appointment of the Directors and Key Managerial Persons shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any.

The Company shall disclose in the Board's report:

- the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed.
- All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.
- All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.
- In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of directors shall be made in the section on the corporate governance of the Annual Report:
  - a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - b. Details of fixed component and performance linked incentives, along with the performance criteria.
  - c. Service contracts, notice period, severance fees.
  - d. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.
- The company shall publish its criteria of making payments to non-executive directors in its annual report. Alternatively, this may be put up on the company's website and reference drawn thereto in the annual report.
- The company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.
- The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

**NOTES**

The term "Directors" has same meaning as that defined in the Companies Act, 2013 and other applicable provisions.

**AMENDMENT**

The Nomination and Remuneration Committee reserves its right to amend or modify this Policy in whole or in part, subject to approval by the Board, at any time consequent upon any amendment to applicable laws.



## ANNEXURE TO THE BOARD REPORT

### CORPORATE GOVERNANCE REPORT

#### Forming part of the Board Report

#### COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At Swiss Glascoat Equipments Limited (the "Company"), Corporate Governance is viewed as ethics and moral duty. Your Company believes that the corporate governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals and ensuring interest of all the stakeholders. Your Company firmly believes in core ethical values based on transparency, integrity, professionalism and accountability. The Company adheres to these ethical values by ensuring transparency in all its operations, making timely disclosures and enhancing stakeholders' value. Your Company believes that the good governance process has a positive impact on the Company's reputation, employees, customers and stakeholders at large.

Your Company has adopted best of corporate governance practices and is based on following principles:

- Strong, professional, independent Board with vast knowledge and varied experience.
- Accountability for functioning and transparency in conduct.
- Compliance with applicable laws and regulations.
- Independent verification of financial reporting.
- Value creation and wealth maximization for stakeholders.

The Report on Corporate Governance, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as under:

#### BOARD OF DIRECTORS AND BOARD MEETINGS

The Company has a balanced structure of the Board which is in conformity with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2018, the Board comprises of ten Directors (eight being Non-Executive Directors), of which five Directors are Independent Directors. The Executive Directors include the Chairperson & Managing Director and the Whole-time Director.

A notice of the Board Meeting is circulated well in advance with the Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision.

The Board of Directors met 4 (four) times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and the Listing Regulations: 29<sup>th</sup> May, 2017, 8<sup>th</sup> September, 2017, 5<sup>th</sup> December, 2017 and 10<sup>th</sup> February, 2018.

Detailed information on the Board Meetings with regard to their attendance of each of the Directors thereat is as under:

Name of Directors	Category of Directorship	Interse relation with other Directors	Attendance in Board Meetings	Sitting Fees paid (Rs. in lakhs)	Whether Attended Last AGM	Director-ships held in Public & Private Companies#	Committee Details ^ in Public Companies	
							Members in Committee	Chair-person in Committee
A	B	C	D	E	F	G	H	I
Mr. Himanshu Patel	CMD (P)**	Father of Harsh Patel, Brother of Nilesh Patel, Uncle of Aalap Patel	4	-	Yes	6	-	-
Mr. Aalap Patel	ED (Technical) (P) **	Son of Nilesh Patel, Nephew of Himanshu Patel, First cousin of Harsh Patel	4	-	Yes	3	2	-
Mr. Nilesh Patel	NED (P) **	Father of Aalap Patel, Brother of Himanshu Patel, Uncle of Harsh Patel	4	0.60	Yes	6	-	-
Mr. Harsh Patel	NED (P) **	Son of Himanshu Patel, Nephew of Nilesh Patel, First cousin of Aalap Patel	4	0.60	Yes	4	1	-
Mr. Sudarshan Amin	NED**	None	3	0.45	Yes	1	-	-
Mr. Janardan Shukla	NED (I) **	None	4	0.60	Yes	2	1	-
Ms. Vijayanti Punjabi	NED (I) **	None	4	0.60	Yes	1	-	-
Mr. Yatish Parekh@	NED (I) **	None	3	0.45	Yes	2	-	3
Mr. Mahesh Kabutarwala@	NED (I) **	None	2	0.30	Yes	6	-	1
Mr. Sandeep Randery@	NED (I) **	None	2	0.30	Yes	1	2	-
Mr. Jagrut Bhatt*	NED (I) **	None	1	0.15	-	-	-	-
Mr. Bharat Patel*	NED (I) **	None	0	0	-	-	-	-
Dharmesh Patel*	NED (I) **	None	1	0.15	-	-	-	-



\* resigned with effect from 30<sup>th</sup> May, 2017

@appointed with effect from 29<sup>th</sup> May, 2017

\*\* CMD (P) – Chairperson and Managing Director (Promoter), ED (Technical) (P) - Executive Director (Technical) (Promoter), NED (P) - Non-Executive Director (Promoter), NED (I) - Non-Executive Director (Independent), NED -Non-Promoter, Non-Independent, Non-Executive Director

#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.

#None of the Directors are the Chairperson in the companies mentioned in Column G.

^ only Audit and Stakeholders Relationship Committees of your Company and other public companies have been considered.

## EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2018 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	10000	Ms. Vijayanti Punjabi	Nil
Mr. Harsh Patel	10000	Mr. Yatish Parekh	Nil
Mr. Sudarshan Amin	Nil	Mr. Mahesh Kabutarwala	Nil
Mr. Janardan Shukla	Nil	Mr. Sandeep Randery	Nil

## INDEPENDENT DIRECTORS

All the Independent Directors on the Board are highly experienced, competent and renowned persons in their respective fields. They actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

### Details of Familiarisation Programmes Imparted to Independent Directors

The Company does conduct a structured program for orientation of Independent Directors detailing the business, operations and working of the Company as a whole, as and when required. The Board is continuously updated about significant changes that may affect the Company, so that the Board can take informed decision and contribute significantly.

A Directors' kit containing information about the Company's business and operations is handed over to the new Independent Directors to familiarize them with the Company. The details are available on our website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide-Familiarisation Programmes for Independent Directors.

### Independent Directors Meeting

The Independent Directors Meeting was held on 10<sup>th</sup> February, 2018 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 functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- the compliance of the Code of Conduct framed by the Company.

Mr. Janardan Shukla- the Lead Independent Director was the Chairperson of the Meeting of Independent Directors.

Attendance of Independent Directors in Independent Directors Meeting held on 10<sup>th</sup> February, 2018:

Independent Directors	No. of Meetings held	Meetings attended
Mr. Janardan Shukla	1	1
Ms. Vijayanti Punjabi	1	1
Mr. Yatish Parekh	1	1
Mr. Mahesh Kabutarwala	1	1
Mr. Sandeep Randery	1	0

As directed by the Lead Independent Director, the Company Secretary acted as the Secretary to the Meeting.

## COMMITTEES AND COMMITTEE MEETINGS

### **Audit Committee**

The Audit Committee of the Company comprises of three Independent Directors and one Executive Director. All the Members of the Audit Committee are financially literate and Mr. Yatish Parekh- Chairperson of the Committee is a qualified Chartered Accountant and has relevant accounting and financial management expertise and experience.

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 terms of reference of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, and those as may be referred by the Board of Directors. The brief terms of reference of the Audit Committee includes:

- To oversee the financial reporting process and disclosure of its financial information;
- To review the quarterly, half-yearly and annual financial results and the auditor's report thereon before submission to the Board;
- Recommendation for appointment, remuneration and terms of appointment of the Auditors of the Company;
- Review the adequacy of internal control systems in the Company, including the scope and performance of the internal audit function;



- Review of related party transactions;
- Reviewing with management performance of internal and statutory auditors and fixing their remuneration;
- Holding discussions with Statutory Auditors on the nature and scope of audit, ensure compliance with all the applicable Accounting Standards;
- Compliance with the listing and other legal/ statutory requirements and the Company's financial and risk management policies;
- Review the functioning of the Whistle Blower/ Vigil mechanism;
- Review and suggest changes in the Risk Management Policy and also to oversee the functioning of the Risk Management Policy;
- Investigate into any matters referred to by the Board.

During the financial year, the Audit Committee has been re-constituted and it has met 5 (Five) times on 29<sup>th</sup> May, 2017, 25<sup>th</sup> July, 2017, 8<sup>th</sup> September, 2017, 5<sup>th</sup> December, 2017 and 10<sup>th</sup> February, 2018 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Yatish Parekh@	Independent Director	Chairperson	4
Mr. Aalap Patel	Executive Director (Technical)	Member	5
Mr. Janardan Shukla	Independent Director	Member	5
Mr. Sandeep Randery@	Independent Director	Member	3
Mr. Bharat Patel*	Independent Director	Ex-Chairperson	0

@ Appointed as Director and Committee Member w.e.f. 29<sup>th</sup> May, 2017

\* Resigned w.e.f. 30<sup>th</sup> May, 2017

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

## Stakeholders Relationship Committee

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. The Stakeholders Relationship Committee comprises of 2 Independent Directors, 1 Non-Executive Director and 1 Executive Director.

During the financial year, the Stakeholders Relationship Committee has been re-constituted and it has met 4 (Four) times on 29<sup>th</sup> May, 2017, 8<sup>th</sup> September, 2017, 5<sup>th</sup> December, 2017 and 10<sup>th</sup> February, 2018 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Mahesh Kabutarwala@	Independent Director	Chairperson	2
Mr. Sandeep Randery@	Independent Director	Member	2
Mr. Aalap Patel#	Executive Director (Technical)	Member	3
Mr. Harsh Patel#	Non-Executive Director	Member	3
Mr. Bharat Patel*	Independent Director	Ex-Chairperson	0
Mr. Dharmesh Patel*	Independent Director	Ex-Member	1
Mr. Janardan Shukla**	Independent Director	Ex-Member	1

@ Appointed as Director and Committee Member w.e.f. 29<sup>th</sup> May, 2017

# Appointed as Committee Member w.e.f. 29<sup>th</sup> May, 2017

\*Resigned w.e.f. 30<sup>th</sup> May, 2017

\*\* Resigned as Committee Member w.e.f. 29<sup>th</sup> May, 2017

Ms. Dhvani Shah, the Company Secretary of the Company has been entrusted with the role of Compliance Officer to look after day-to-day requests and the grievances of the shareholders. 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 31<sup>st</sup> March, 2018 had 4,987 members. The status of the complaints received by the Company during the year under review is as under:

**As on 1<sup>st</sup> April, 2017:** Nil

**Received during the year:** Nil

**Resolved during the year:** Nil

**Outstanding as on 31<sup>st</sup> March, 2018:** Nil

During financial year 2017-18, the Company has satisfactorily responded and resolved the various requests of the shareholders.

## Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee in compliance with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, and those as may be referred by the Board of Directors. The Nomination and Remuneration Committee comprises of 3 Independent Directors.

Brief terms of reference of the Nomination and Remuneration Committee are as under:

- To formulate criteria for determining qualifications, positive attributes and independence of directors;
- Lay down the policy and criteria for identifying the persons who can be appointed as Directors and Senior Management;



- To carry out evaluation of every Director's performance;
- To lay down policy for diversity of the Board;
- To recommend to the Board the appointment and removal of Directors and Senior Management; and
- Devise policy relating to remuneration to Directors, Key Managerial Personnel and Senior Management and ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

During the financial year, the Nomination and Remuneration Committee has been re-constituted and it has met 2 (two) times during the year on 29<sup>th</sup> May, 2017 and 10<sup>th</sup> February, 2018 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Ms. Vijayanti Punjabi#	Independent Director	Chairperson	1
Ms. Yatish Parekh@	Independent Director	Member	1
Mr. Janardan Shukla	Independent Director	Member	2
Mr. Jagrut Bhatt*	Independent Director	Ex-Chairperson	1
Mr. Bharat Patel*	Independent Director	Ex-Member	0

@ Appointed as Director and Committee Member w.e.f. 29<sup>th</sup> May, 2017

# Appointed as Committee Member w.e.f. 29<sup>th</sup> May, 2017

\* Resigned w.e.f. 30<sup>th</sup> May, 2017

## **Performance evaluation criteria for Independent Directors:**

Some of the criteria for evaluation of independent directors on basis of which the Board of Directors carries out the annual performance evaluation of the Independent Directors, are as under:

- Attendance and quality and value of contribution of the Independent Directors at the Meetings;
- Awareness about the significant information relating to the Company and the industry in which the Company operates;
- Contribution to development of strategy and risk management;
- Awareness of the latest developments in the areas of corporate governance framework, financial reporting and industry and market conditions; and
- Communication and relations with other Board Members and Senior Management.

## **Nomination and Remuneration Policy**

The Company has framed the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 and the same is set out as Annexure to the Board Report.

The details relating to the remuneration of Directors are as under:

- The Non-Executive Directors do not receive any remuneration except sitting fees of Rs. 15,000 per Board Meeting of the Company attended by them. The details of the sitting fees paid to the Non-Executive Directors for attending the Board Meetings have been disclosed in this Report. The sitting fees paid to the Non-Executive Directors for attending the Board Meetings are within the limits specified by the Companies Act, 2013. Except the above, 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: [www.glascoat.com](http://www.glascoat.com) under Company Policies, which includes the criteria for making payments to the Non-Executive Directors.
- 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 2017-18 are given below:

(Rs. in lakhs)

Name of Director	Basic Salary	Allowances, Bonus and Perquisites	Commission	TOTAL
Mr. Himanshu Patel	44.59	0.32	8.09	53.00
Mr. Aalap Patel	26.80	0.32	0.00	27.12
<b>TOTAL</b>	<b>71.39</b>	<b>0.64</b>	<b>8.09</b>	<b>80.12</b>

## **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 31<sup>st</sup> December, 2016, 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).
- The Company does not have any ESOP Scheme.



## Corporate Social Responsibility Committee

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 3 Independent Directors:

The Role of the CSR Committee is as under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to the said Schedule;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Ensure disclosure of the CSR Policy in the Board Report and on the Website of the Company;
- Ensure activities as included in the CSR Policy are undertaken and are monitored regularly; and
- Ensure the CSR spend is made in terms of Section 135(5) of the Companies Act, 2013.

During the financial year, the CSR Committee has been re-constituted and it has met 4 (Four) times on 29<sup>th</sup> May, 2017, 8<sup>th</sup> September, 2017, 5<sup>th</sup> December, 2017 and 10<sup>th</sup> February, 2018 and the attendance of the Members at the Meetings was as follows:

Name of Member	Category	Designation	Attendance
Mr. Sandeep Randery@	Independent Director	Chairperson	2
Ms. Vijayanti Punjabi#	Independent Director	Member	3
Mr. Aalap Patel	Executive Director (Technical)	Member	4
Mr. Jagrut Bhatt*	Independent Director	Ex-Chairperson	1
Mr. Janardan Shukla**	Independent Director	Ex-Member	1

@ Appointed as Director and Committee Member w.e.f. 29<sup>th</sup> May, 2017

# Appointed as Committee Member w.e.f. 29<sup>th</sup> May, 2017

\* Resigned w.e.f. 30<sup>th</sup> May, 2017.

\*\* Resigned as Committee Member w.e.f. 29<sup>th</sup> May, 2017

## CODE 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. The said Code is available on the Company's website. All the Board Members and the Senior Management Personnel have affirmed their compliance with the Code during the financial year 2017-18. The Managing Director of the Company has given Declaration to the Company regarding the affirmation, which forms part of this Annual Report.

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.

The Codes of Conduct are available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide-Codes of Conduct.

## GENERAL BODY MEETINGS

- (i) 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
2016-17- AGM	28 <sup>th</sup> August, 2017	02.30 P.M.	Registered Office at H-106, GIDC Estate, Vitthal Udyognagar – 388 121
2015-16 –EGM	21 <sup>st</sup> November, 2016	10.00 A.M.	
2015-16- AGM	25 <sup>th</sup> July, 2016	10.00 A.M.	
2014-15- AGM	10 <sup>th</sup> September, 2015	10.00 A.M.	

- (ii) Postal Ballot

No business has been transacted using Postal Ballots for voting at the aforesaid Meetings.

- (iii) Special Resolutions

- In the Extra-ordinary General Meeting held on 21<sup>st</sup> November, 2016, special resolutions were proposed for obtaining consent of the Members related to following purposes and were approved by the Members with requisite majority:
  - Increase in authorized capital of the Company and consequent amendment to the Memorandum of Association of the Company.
  - Issue of 15,00,000 Warrants convertible into equal number of Equity shares of Rs. 10 each to Non-promoters on preferential basis.
- In the Annual General Meeting held on 28<sup>th</sup> August, 2017, special resolutions were proposed for obtaining consent of the Members and were approved by the Members with requisite majority: :
  - Appointment of Mr. Himanshu Patel (DIN 00202312) as the Managing Director.
  - Appointment of Mr. Aalap Patel (DIN 06858672) as the Executive Director (Technical).
  - Re-classification of Promoter and Promoter Group.
  - Amendment of Memorandum of Association in accordance with the Companies Act, 2013.
  - Adoption of new set of Articles of Association in accordance with the Companies Act, 2013.



## (iv) E-voting facility

In order to solicit wider participation of shareholders for voting in the 26<sup>th</sup> Annual General Meeting of the Company convened on 28<sup>th</sup> August, 2017, the Company had provided e-voting facility to the shareholders voting on the business that was transacted therein.

## DISCLOSURES

### A. Basis of Related Party Transactions:

There were no materially significant transactions with related parties i.e. Promoters, Directors or the Management, their subsidiaries 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, 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 the related party transactions are executed on an arm's length basis with an intention to further the Company's interests. The extract of the policy on dealing with the related party transactions is available on the Company's website: [www.glascoat.com\\_under\\_Investors\\_Guide](http://www.glascoat.com_under_Investors_Guide) - Company Policies.

### B. 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.

### C. Management

The Management Discussion and Analysis Report pertaining to external and internal environment of the Company is annexed herewith.

### D. Shareholders

Mr. Jagrut Bhatt, Mr. Bharat Patel and Mr. Dharmesh Patel- Independent Directors of the Company have resigned with effect from 30<sup>th</sup> May, 2017, while Mr. Mahesh Kabutarwala, Mr. Yatish Parekh and Mr. Sandeep Randery have been appointed as the Independent Directors in the Board Meeting held on 29<sup>th</sup> May, 2017 and their appointment had been approved in the 26<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> August, 2017. The Board Committees were re-constituted on 29<sup>th</sup> May, 2017.

The details of the Director proposed to be re-appointed in the 27<sup>th</sup> Annual General Meeting of the Company are as under:

Particulars	Mr. Nilesh Patel
Date of Birth	24 <sup>th</sup> July, 1961
Date of Appointment on the Board	31 <sup>st</sup> December, 2016
Qualifications	B.Sc. (Chemistry)
Expertise	He has more than 25 years of experience in the business of chemicals, engineering and sea food processing.
Directorships held in other public companies	None
No. of shares held in the Company	10,000
Relations with Other Directors	He is father of Mr. Aalap Patel, Brother of Mr. Himanshu Patel and Uncle of Mr. Harsh Patel.
Pecuniary Relations with the Company	Omnibus approval has been provided by the Audit Committee and the Board of the Company for executing transactions related to sales/ purchase of goods/ services (inclusive of sales returns/ purchase returns) with HLE Engineers Private Limited and Yashashvi Rasayan Private Limited in which he is a Director.

### E. Compliance

There were no instances of non-compliances or any matter viz. imposition of penalties or strictures on the Company by the Stock Exchange or SEBI or any statutory authority, related to the capital markets during the last three years.

### F. 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 Statutory Auditors 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.

### G. The Company has duly complied with all the requirements of para (2) to (10) of Schedule V read with provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### H. The Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## I. Vigil Mechanism and Whistle Blower Policy

The Company has devised a Vigil Mechanism for directors and employees to report genuine concerns and has also formulated a Whistle Blower Policy. The details of the said vigil mechanism is available on the Company's website: [www.glascoat.com](http://www.glascoat.com) under Investors Guide/ - Whistle Blower -Vigil Mechanism. 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 year, no personnel was denied access to the Audit Committee.

## J. Commodity trading/ hedging activities

The Company is not engaged into any commodity trading/ hedging activities.

## K. Policy for determining material subsidiary:

Since the Company does not have any subsidiary, the need for a policy for determining material subsidiary is not applicable.

## CEO/ CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have 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 in this Annual Report.

## MEANS OF COMMUNICATION

The Company believes that all stakeholders should have access to adequate information regarding the Company's position to enable them to accurately assess its future potential.

\* **Website:** Your Company's Website [www.glascoat.com](http://www.glascoat.com) under Investors Guide-Financial Information provides comprehensive information on its financial performance, operational performance, announcements and periodical compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

\* **Financial Results:** The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also are published in newspapers, namely, Business Standard and Jaihind/ Jansatta/ Naya Padkar

\* **Annual Report:** The Annual Report containing, inter- alia, the Financial Statements, the Board Report, the Independent Auditors' Report and other important information is circulated to the Members and others entitled thereto.

\* **Corporate Filing:** Announcements, Periodical Financial Results, Shareholding Pattern, etc. of the Company are regularly filed by the Company and are available on the website of the BSE Ltd.- [www.bseindia.com](http://www.bseindia.com), whereon 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

Compliance Officer	:	Ms. Dhvani Shah Mr. Bipin Thakkar (in the absence of Ms. Dhvani Shah)
Date, Time and Venue of the 27 <sup>th</sup> Annual General Meeting	:	3 <sup>rd</sup> August, 2018 at 2.30 p.m. at H-106, GIDC Estate, Vitthal Udyognagar 388121
Financial Year	:	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
Dividend Payment Date	:	On and from 24 <sup>th</sup> August, 2018
Listing on Stock Exchange	:	BSE Limited Annual Listing fees to BSE Ltd. for the Financial Year 2018-19, as applicable, have been paid well before the due date.
Scrip Code on BSE Limited	:	522215
Registrar and Share Transfer Agents	:	<b>Link Intime India Pvt Limited</b> B-102 and 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara - 390 020 <b>Phone No.:</b> 0265-2356573 <b>Fax no.:</b> 0265-2356791 <b>E-Mail Id:</b> <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>
ISIN of DEMAT Shares	:	INE461D01010

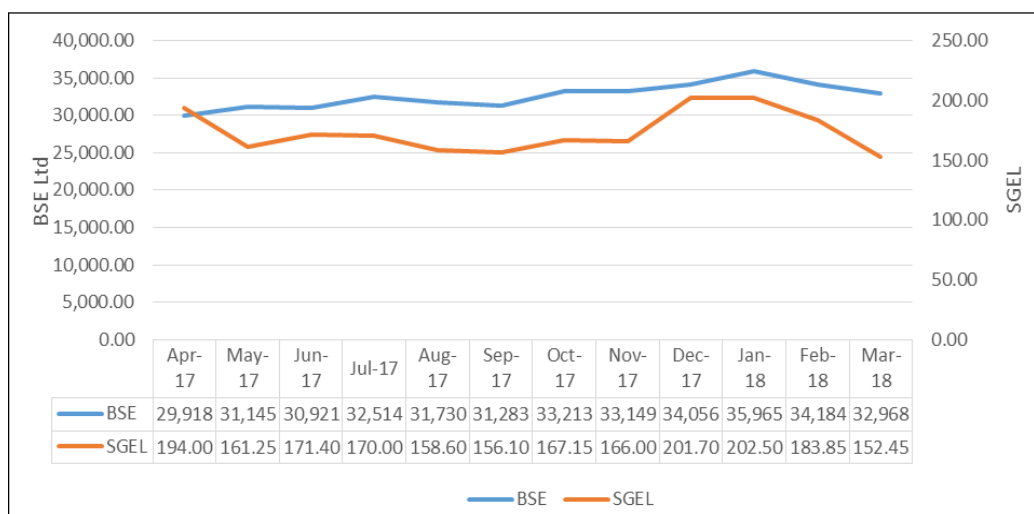
Month wise Market price data in FY 2017-18\*

Month	High Price	Low Price	Spread High-Low	Month	High Price	Low Price	Spread High-Low
Apr-17	209.80	182.00	27.80	Oct-17	181.00	152.15	28.85
May-17	193.95	152.00	41.95	Nov-17	174.50	155.00	19.50
Jun-17	180.00	160.00	20.00	Dec-17	207.00	165.00	42.00
Jul-17	187.00	165.00	22.00	Jan-18	243.00	196.20	46.80
Aug-17	178.50	150.00	28.50	Feb-18	209.95	163.20	46.75
Sep-17	166.90	146.05	20.85	Mar-18	187.90	148.50	39.40

\*(Source: [www.bseindia.com](http://www.bseindia.com))



## Company's closing share price movement during the financial year 2017-18 on BSE vis-à-vis S&P BSE Sensex\*



\*(Source: www.bseindia.com)

## SHARE TRANSFER SYSTEM

For the financial year 2017-18, the transfer of shares in physical form are processed and completed by Link Intime India Private Limited, within the period specified from the date of receipt thereof, under the supervision of the Compliance Officer and the Stakeholders Relationship Committee of the Company. The shares held in dematerialized form are transferable through the depository system.

## 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 31<sup>st</sup> March, 2018, 55,53,000 shares (85.43%) 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.

## DISTRIBUTION OF SHAREHOLDING

### (A) Distribution of Shares as per Category as on 31<sup>st</sup> March, 2018

Category Code	Category of Shareholders	No. of Shareholders	Total No. of Shares	% of (A+B)
(A)	Shareholding of Promoter and Promoter Group	5	32,65,953	50.25
(B)	Public Shareholding Institutions	0	0	0.00
(C)	Public Shareholding- Non- Institutions	4982	32,34,047	49.75
	<b>GRAND TOTAL (A+B+C)</b>	<b>4987</b>	<b>65,00,000</b>	<b>100.00</b>

### (B) Distribution of Shares by size of holding as on 31<sup>st</sup> March, 2018

Category of Shares	No. of shareholders	% Holders	No. of Shares	% Shares
1 to 500	4,465	88.29%	7,26,453	11.18%
501 to 1,000	329	6.51%	2,74,932	4.23%
1,001 to 2,000	133	2.63%	2,06,675	3.18%
2,001 to 3,000	32	0.63%	82,897	1.28%
3,001 to 4,000	16	0.32%	57,164	0.88%
4,001 to 5,000	21	0.42%	98,590	1.52%
5,001 to 10,000	31	0.61%	2,30,250	3.54%
10,001 and above	30	0.59%	48,23,039	74.20%
<b>TOTAL</b>	<b>5,057</b>	<b>100.00%</b>	<b>65,00,000</b>	<b>100.00%</b>

**Note:** As per shareholding pattern filed with BSE Ltd, number of shareholders as on 31<sup>st</sup> March, 2018 has been clubbed on the basis of PAN of the shareholders of the Company.

## 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 "Swiss Glascoat Equipments 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 2017-18 are as under:



Particulars	No. of Shareholders	No. of Shares
Outstanding balance in Unclaimed Suspense Account as on 1 <sup>st</sup> April, 2017	8	1,600
Transfer to Unclaimed Suspense Account during FY 2017-18	5	900
Request for transfer from Unclaimed Suspense Account received and processed	-1	-200
Transfer from Unclaimed Suspense Account to IEPF Authority Demat Account	-8	-1,400
Outstanding balance in Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2018	4	900

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.

## PLANT LOCATION AND ADDRESS FOR CORRESPONDENCE

### Plant Location:

Swiss Glascoat Equipments Limited  
H-106, G I D C Estate,  
Vitthal Udyognagar – 388 121  
Dist. Anand, Gujarat

### Registered Office:

Swiss Glascoat Equipments Limited  
H-106, G I D C Estate,  
Vitthal Udyognagar – 388 121  
Dist. Anand, Gujarat  
E-mail ID: [share@glascoat.com](mailto:share@glascoat.com)  
Contact No.: (02692) 236842 to 236845

To allow us to service the Shareholders with greater speed and efficiency, the Company strongly recommends e-mail based correspondence on all issues which do not require signature verification for being processed.

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd**

**Sd/-**

Mr. Himanshu Patel  
**Chairperson and Managing Director**

**Date :** 19<sup>th</sup> May, 2018  
**Place :** Vitthal Udyognagar

## 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, 2018.

**By the Order of the Board of  
Swiss Glascoat Equipments Ltd**

**Sd/-**

Mr. Himanshu Patel  
**Chairperson and Managing Director**

**Date :** 19<sup>th</sup> May, 2018  
**Place :** Vitthal Udyognagar



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SWISS GLASCOAT EQUIPMENTS LIMITED

1. We, **M. M. Nissim & Co.**, Chartered Accountants, the Statutory Auditors of **SWISS GLASCOAT EQUIPMENTS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 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. Our 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. We 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.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we 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 paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.
8. We 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 M. M. NISSIM & CO

Chartered Accountants  
Firm Regn. No. 107122W

N. Kashinath

Partner

Mem. No.: 036490

Vitthal Udyognagar, Dated 19<sup>th</sup> May, 2018



## ANNEXURE TO THE BOARD REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Forming part of the Board Report

#### Economic Overview

The year 2017-18 was marked by a number of key structural regulatory and governmental initiatives to build strength across macro-economic parameters for sustainable growth in the future. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and the International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is expected to grow 7.3 per cent in the Financial Year 2018-19.

India is currently the world's sixth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). This growth has been achieved in a scenario of lower inflation, improved current account balance and reduction in the fiscal deficit to GDP ratio. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the overall momentum of reforms. After remaining in negative territory for a couple of years, the growth of exports has rebounded during 2016-17 and has strengthened further in 2017-18.

#### Economic Outlook

On the fiscal front, the position is expected to be better with the Government meeting its fiscal deficit target at 3.5 per cent of GDP. India's Index of Industrial Production (IIP) rose 4.3 per cent year-on-year in March, 2018, while retail inflation reached a low of 4.28 per cent in March, 2018.

#### A) Industry Structure and Development and Outlook

Your Company is engaged in the business of manufacturing/ fabrication of specialized engineered Glass-lined Reactors and Vessels, which are predominantly used by the Pharmaceutical and Chemical (including Agrochemical) manufacturers.

##### Performance of the Engineering Sector

Growth in India's overall manufacturing sector has provided a stimulus for the Engineering Industry to develop capabilities in product development and advanced manufacturing technology. India manufactures the entire range of industrial machinery. Apart from demand from user industries, the availability of technical education infrastructure, that provides an increased number of technically trained human resources each year, has been another key factor aiding the Engineering Industry in India. India exports transport equipment, capital goods, other machinery/ equipment and light engineering products such as castings, forgings and fasteners to various countries. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports. Investments in the engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing costs, technology and innovation. The above factors, coupled with favorable regulatory policies and growth in the manufacturing sector, has encouraged several foreign players to invest in India. The long-term future of the Indian engineering sector remains promising.

##### Performance of the Pharmaceutical Sector

The Indian Pharmaceutical sector is estimated to account for 3.1 – 3.6 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms. It is expected to grow to US\$ 100 billion by 2025. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues). The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 per cent during FY 2011-2016, with the market increasing from US\$ 20.95 billion in FY 2011-12 to US\$ 27.57 billion in FY 2015-16. The industry's revenues have correspondingly grown by 7.4 per cent in FY 2016-17. Indian pharmaceutical market grew 5.5 per cent in FY 2016-2017 in terms of moving annual turnover. In March 2018, the domestic market grew at 9.5 per cent year-on-year with sales of Rs 10,029 crore (US\$ 1.56 billion). Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also positively influence the growth of the Pharmaceutical sector.

##### Performance of the Chemical Industry

The Chemical Industry is not only one of the oldest industries in India but also one of the fastest growing sectors in the economy. For years, this industry has played the role of a driving engine for the manufacturing sector in the country. India is the sixth largest producer of chemicals in the world and third largest producer in Asia in terms of output. The Indian chemical sector is currently worth USD 150-155 billion, and it is expected to double by 2025 if it continues to grow at the current rate of 8 to 10%. Cumulative FDI in the industry from April, 2000 to June, 2017 stood at US\$ 13.972 billion and the export of chemicals stood at US\$ 12.15 billion during the year 2016-17.

The Indian Chemical Industry has always been a multi-product, multi-faceted industry, based on the principle of diversification. The chemicals cover an array of more than 70,000 commercial products. The industry is diversified into a variety of sectors such as inorganic chemicals, drugs and pharmaceuticals, plastics and petrochemicals, pesticides, fertilizers and other agrochemicals, speciality and fine chemicals like dyes and paints, and many more. Speciality chemicals and agrochemicals are the two fastest growing sectors among them.

##### Glass Lining Industry

Glass-lining is a specialized coating of glass, which is applied on the chemical reactor vessels/ equipment. Glass-lined equipment are used for preventing corrosion caused by reactions of corrosive chemicals by the Pharmaceuticals, Agrochemical and other Chemical Industries. The Glass Lining Industry has gone through tremendous changes during the last two decades. The core element of the Glass Lining Industry lies in the technology used for manufacturing of glass frit and its applications/ lining on the vessels/ equipment.

##### Company Overview

Swiss Glascoat Equipments Limited was formed 27 years ago with an objective to serve Indian customers who were exploited by the multinational companies for Glass-lined Equipment. Your Company is engaged in the business of manufacture and sale of glass-lined equipment and spares in India and abroad. In a very short span of time, your Company embarked upon the technological drive to synthesize the best of engineering practices and technological advancements to come up with superior quality solutions in glass-lined products and services and has emerged as a front-runner in the domestic glass lining fraternity by catering to diverse industries and applications ranging from dyes to pigments; from pharmaceutical to food processing; from chemicals to pesticides; from intermediates to resins and other conceivable corrosion-prone areas in the chemical processing industry. By consolidating quality, performance, engineering design, service and much more, Swiss Glascoat has established itself as One-Point Solution-Provider for glass-lined products of any type, size, output including a complete range of accessories. Today, with the support of its customers, your Company is ahead of the curve in terms of technology, processes and people in this exciting segment.



## B) Opportunities and Threats

The various Government and Reserve Bank initiatives like 100% FDI in the Pharmaceuticals sector under automatic route, reduction in the interest rates, etc. is already providing opportunities to expand your Company's business. In the last few months, your Company has witnessed lot of activity to participate in the capex program of many of its existing and potential customers, from the pharma and agrochemical/ specialty chemical sectors, which had earlier slowed down. Your Company's philosophy to provide the best quality at a competitive price, continuously innovating its existing processes and introducing new technologies (automation and process improvement) will give lot of thrust and impetus to your Company's operations and order book. The new management also bring with them new ideas and new relationships, which will help your Company in its endeavours to grow faster and achieve newer heights. Your Company's equipment has a high brand recall amongst its existing customers as well as generally in the Industry. Almost all the major Indian glass lined equipment end users have used and are satisfied with your Company's products. Now, your Company has intensified its marketing efforts and service network to strengthen its domestic and global presence and is receiving positive, encouraging response.

The threats to your Company are mostly associated with the cyclical industry trend, rising inflation, non-availability of adequate skilled manpower, continuous increase in electricity/ fuel costs, cost of wages and salaries and finance cost. Presently, inflation is under control due to active measures undertaken by the Government and the Reserve Bank of India and this will ensure that the interest rates will remain reasonably low for the next few quarters. Your Company's human resource department is continuously searching for talented manpower at various levels to obviate the challenge of non-availability of requisite talent when needed. Your management is quite confident that they will overcome the internal threats and ensure that your Company achieves better performance in the current year.

## C) Risks and Concerns

While India's retail inflation has eased this year and hit a five-month low in March, it remained above the Reserve Bank of India's medium-term target of 4 percent. Inflation is forecast to average 4.7 percent in the fiscal year ending next March, and 4.9 percent the following year. The impact of GST on prices is likely to become clearer in the coming year as the teething problems related to its implementation ease out. Further, the GST Council's decision to cut tax rates on 177 items is also expected to partially ease the inflationary pressure, as the companies start passing the benefits of lower prices to consumers. A contraction in export growth pushed the merchandise trade deficit to a near 3-year high in October 2017, which was forcefully reversed in November with a positive growth rate of over 30%. With the streamlining of GST related issues and some changes in GST rules by the Government as well as firming of global recovery, export growth is expected to emerge as a powerful growth driver in 2018. Healthy foreign fund inflows caused the rupee to strengthen during the latter half of the year. The recent Moody's upgrade is also likely to encourage further inflows.

## D) Internal Control Systems and their adequacy

Your Company is committed to ensuring an effective internal control environment that provides reasonable assurance regarding the effectiveness and efficiency of operations, adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. Towards this end, your Company has laid down standard operating procedures and policies to guide the various business operations. To further strengthen the internal control systems, an independent external agency has been appointed as the internal auditor of your Company. The internal audit processes, both at the business and corporate levels provide reasonable assurance on the adequacy and effectiveness of such internal controls and compliances, through the reviews of the functions and processes, as per the annual audit plan agreed with the Audit Committee. The CEO and CFO Certification provided elsewhere in this Annual Report discusses the adequacy of our internal control systems and procedures.

## E) Financial performance vis-à-vis Operational performance

The competitive environment of India's Glass Lining Industry and the growing competition in the business segment pose challenges to your Company. There is a trend towards a strong growth pursuant to your Company's commitment to quality and sustainability. Your Company believes in a philosophy of continuous efforts to perform better operationally, which is expected to translate into better financial performance. Your Company also utilizes internal accruals instead of depending heavily on external borrowings to the extent possible and your Company's Balance Sheet is quite robust and relatively insulated from financial risks. By actively managing utility and other operational costs, payment terms and working capital requirements, your management has influenced the financial performance and achieved significant cost savings. Your Company's revenue from operations for the year 2017-18 was Rs. 98.76 crores compared to Rs. 89.49 crores during the previous year. Your Company earned profit after tax during the year of Rs. 5.36 crores compared to Rs. 3.12 crores during the previous year. Operating Profit/ Earnings before Interest Depreciation and Tax for the year stood at Rs. 11.22 crores compared to Rs. 9.56 crores. There has been a significant rise in the EBITDA from 10.65% for the financial year ended 31<sup>st</sup> March, 2017 to 11.24% for the financial year under review.

## F) Material Developments on Human Resources/ industrial relations, including number of people employed

People management is the backbone of your Company and it is regarded as one of the important resources for the success at Swiss Glascoat. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and upgraded to attract, recruit and retain talent in your Company. We have been receiving active co-operation and support from the entire hierarchy of personnel, resulting in improvement in productivity and overall growth of your Company. Our staff and workers are the most important assets. The personnel of your Company are efficient and committed to the growth of your Company's business. Your Company has well documented and updated policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy plays an important role as a watchdog. The total permanent employee strength of your Company as on 31<sup>st</sup> March, 2018 stands at 95 (excluding trainees). Your Company believes in focusing on development of its existing staff and workers and provides constant training to them so as to make them ready for growth and better positions in your Company. The training is provided internally, and training programmes are also organized by inviting external faculty. Our continuous training programmes have emphasis not only on increasing production of your Company but also on imbuing qualities of commitment and integrity in the attitude of the personnel.

## 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  
Swiss Glascoat Equipments Ltd**

**Sd/-**

Mr. Himanshu Patel

**Chairperson and Managing Director**

**Date :** 19<sup>th</sup> May, 2018  
**Place :** Vitthal Udyognagar



## ANNEXURE TO THE BOARD REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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,  
Swiss Glascoat Equipments Limited  
Vithal Udyog Nagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Swiss Glascoat Equipments Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by Swiss Glascoat Equipments Limited for the financial year ended on 31st March, 2018 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 and External Commercial Borrowings. As informed to us, there were no FDI transaction in the Company during the year under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) 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;
- (vi) OTHER APPLICABLE ACTS
  - (a) Factories Act, 1948
  - (b) Payment Of Wages Act, 1936, and rules made there under,
  - (c) The Minimum Wages Act, 1948, and rules made there under,
  - (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - (e) The Payment of Bonus Act, 1965, and rules made there under,
  - (f) Payment of Gratuity Act, 1972, and rules made there under,

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

We 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes on 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**

Sd/-

**DINESH G. BHIMANI**  
Company Secretary  
C P No.: 6628

Place: Anand  
Date: 17<sup>th</sup> May, 2018



Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE

To,  
The Members,  
Swiss Glascoat Equipments Limited  
Vithal Udyognagar.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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**

Sd/-

**DINESH G. BHIMANI**  
Company Secretary  
C P No.: 6628

Place: Anand  
Date: 17<sup>th</sup> May, 2018



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SWISS GLASCOAT EQUIPMENTS LIMITED

### 1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

- 1.1 We have audited the accompanying standalone financial statements of SWISS GLASCOAT EQUIPMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS.

- 2.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 2.2 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the 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 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.

### 3. AUDITOR'S RESPONSIBILITY

- 3.1 Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143 (11) of the Act.
- 3.2 We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.
- 3.3 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.
- 3.4 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.

### 4. OPINION

- 4.1 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### 5. OTHER MATTERS

- 5.1 The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 dated 29<sup>th</sup> May, 2017 and 26<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us.

Our opinion is not modified in respect of these matters.

### 6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 6.1 As required by the Companies (Auditor's Report) Order, 2016 ("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.
- 6.2 As required by Section 143 (3) of the Act, 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, 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 Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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 27 (n) to the Standalone financial statements;
  - ii. The Company did not have no 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 during the year ended 31<sup>st</sup> March, 2018.

**For M. M. NISSIM & CO.**  
Chartered Accountants  
(Firm Regn. No. 107122W)

(N. Kashinath)  
Partner  
Mem. No.: 036490  
Mumbai, 19<sup>th</sup> May, 2018

## **"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

**OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWISS GLASCOAT EQUIPMENTS LIMITED**

- i) In respect of its Fixed Assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - b) As explained to us, the Assets have been physically verified by the management in accordance with a regular 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;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii) The company has not granted any loans, secured or unsecured during the year to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made during the year.
- v) The Company has not accepted any deposits within the meaning of Provisions of Section 73 to 76 of the Act, and the rules framed thereunder from the public.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.



- b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax and value added tax on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	Rs. Lakhs
<b>Finance Act 1994</b>			
Service Tax	2008-2013	CESTAT	11.28
	2012-2015	CESTAT	23.98
<b>INCOME TAX, 1961</b>			
Income Tax	2003-04	High Court	15.89
	2004-05		58.80

- viii) The company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.
- ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments). Moneys raised by way of Term / Hire Purchase Loan were applied for the purpose for which those are raised.
- x) 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 by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 Financial statements in Refer Note 27(e) as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

**For M. M. NISSIM & CO.**  
Chartered Accountants  
(Firm Regn. No. 107122W)

(N. Kashinath)  
Partner  
Mem. No.: 036490  
Mumbai, 19<sup>th</sup> May, 2018

## "ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWISS GLASCOAT EQUIPMENTS LIMITED.

### 7. REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SWISS GLASCOAT EQUIPMENTS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### 8. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.



## 9. AUDITORS' RESPONSIBILITY

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

## 10. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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.

## 11. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## 12. OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For M. M. NISSIM & CO.**

Chartered Accountants  
(Firm Regn. No. 107122W)

(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai, 19<sup>th</sup> May, 2018


**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018**
**(Rs. in Lakhs)**

Particulars	Note	As at 31 March 2018	As at March 2017	As at April 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2 (a)	1918.31	2033.38	2217.43
Capital Work-in-Progress	2 (b)	195.88	44.00	53.27
Other Intangible Assets	2 (c)	544.60	603.61	33.41
Financial Assets:				
- Trade Receivables	3	5.39	72.82	33.03
- Loans	4	4.88	4.97	7.29
- Others financial assets	5	224.28	218.48	201.63
Other non-current assets	6	68.03	45.45	45.38
<b>Current Assets</b>				
Inventories	7	4989.18	4387.14	4574.35
Financial Assets:				
- Investments	8	100.32	0.00	0.00
- Trade Receivables	3	594.92	489.36	381.22
- Cash and cash Equivalents	9	98.82	147.73	43.89
- Bank balances other than cash and cash equivalents	10	690.77	1012.11	37.66
- Loans	4	3.14	6.37	4.80
- Others financial assets	5	38.80	10.91	12.87
Current Tax Assets (Net)		52.41	98.42	79.78
Other current assets	6	182.76	238.32	225.27
<b>TOTAL ASSETS</b>		<b>9712.48</b>	<b>9413.07</b>	<b>7951.28</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	SOCE	650.00	650.00	500.00
Other Equity	SOCE	4497.68	4058.88	2281.43
<b>Total Equity</b>		<b>5147.68</b>	<b>4708.88</b>	<b>2781.43</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities:				
- Borrowings	11	193.93	300.00	710.00
- Trade Payables	12	0.00	3.37	6.98
- Other Financial Liabilities	13	90.14	452.00	2.88
Deferred Tax Liabilities	14	291.45	345.95	317.48
Other non-current liabilities	15	70.90	97.55	103.31
<b>Current Liabilities</b>				
Financial Liabilities:				
- Borrowings	11	298.56	764.13	1049.32
- Trade Payables	12	1740.70	1396.56	1690.95
- Other Financial Liabilities	13	389.70	203.61	194.35
Other Current Liabilities	15	1487.26	1139.02	1079.28
Provisions	16	2.17	2.00	15.30
<b>Total Liabilities</b>		<b>4564.80</b>	<b>4704.19</b>	<b>5169.85</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9712.48</b>	<b>9413.07</b>	<b>7951.28</b>

Significant Accounting Policies

1

\*The Notes are an integral part of these financial statements

**This is the Balance Sheet referred to in our report of even date**

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

 N.Kashinath  
Partner  
Mem.No.036490

Vitthal Udyognagar, Dated 19th May, 2018

**For and on behalf of the Board**

Mr. Himanshu Patel	Chairperson & Managing Director
Mr. Aalap Patel	Director
Mr. Bipin Thakkar	Chief Financial Officer
Ms Dhvani Shah	Company Secretary

Vitthal Udyognagar, Dated 19th May, 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Lakhs)			
Particulars	Note	Year Ended 31 March 2018	Year Ended 31 March 2017
<b>INCOME</b>			
Revenue from Operations	17	9876.29	8948.78
Other Income	18	101.13	26.08
<b>TOTAL INCOME</b>		<b>9977.42</b>	<b>8974.86</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	4553.50	3659.49
Excise Duty		211.55	801.82
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(3.30)	73.35
Employee Benefits expense	21	669.45	586.30
Finance Costs	22	144.12	227.94
Depreciation and Amortisation expense	2 (a) & (c)	303.56	254.60
Other Expenses	23	3423.87	2897.97
<b>TOTAL EXPENSES</b>		<b>9302.75</b>	<b>8501.47</b>
<b>PROFIT BEFORE TAX</b>		<b>674.67</b>	<b>473.39</b>
<b>TAX EXPENSE</b>			
Current Tax		193.27	132.88
Deferred Tax		(54.51)	28.47
<b>TOTAL TAX EXPENSE</b>		<b>138.76</b>	<b>161.35</b>
<b>PROFIT FOR THE YEAR</b>		<b>535.91</b>	<b>312.04</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Profit or Loss:			
Remeasurements of Defined benefit plans		34.87	(10.76)
Income Tax relating to items that will not be reclassified to Profit or Loss		(11.53)	3.56
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>23.34</b>	<b>(7.20)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>559.25</b>	<b>304.84</b>
<b>EARNINGS PER EQUITY SHARE</b>	27 (a)		
Basic		8.24	6.24
Diluted		8.24	6.24
Significant Accounting Policies	1		

\*The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

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

N.Kashinath  
Partner  
Mem.No.036490

Vitthal Udyognagar, Dated 19th May, 2018

For and on behalf of the Board

Mr. Himanshu Patel

Mr. Aalap Patel

Mr. Bipin Thakkar

Ms Dhvani Shah

Chairperson & Managing Director

Director

Chief Financial Officer

Company Secretary

Vitthal Udyognagar, Dated 19th May, 2018



**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. in Lakhs)

EQUITY SHARE CAPITAL		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	Number of Shares	Amount	Amount	Amount
Authorised Share Capital	10000000	1000.00	1000.00	1000.00
Issued Share Capital (Previous Periods - 5000000 Shares)	6500000	650.00	500.00	500.00
Subscribed Share Capital (Previous Periods - 5000000 Shares)	6500000	650.00	500.00	500.00
Fully Paid-up Share Capital (Previous Periods - 5000000 Shares)	6500000	650.00	500.00	500.00
<b>Balance at the beginning of the year</b>	6500000	650.00	500.00	500.00
Changes in equity share capital during the year:	-	-	-	-
Share warrants exercised during the period	-	-	150.00	-
<b>Balance at the end of the reporting year</b>	<b>6500000</b>	<b>650.00</b>	<b>650.00</b>	<b>500.00</b>

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

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitle to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No.	%	No.	%	No.	%
HLE Engineers Pvt. Ltd.	3225953	49.63%	3225953	49.63%	-	0.00%
Overseas Pearl Ltd.	497400	7.65%	497400	7.65%	497400	9.95%
Patel Shashikant Purshottamdas	353100	5.43%	353100	5.43%	353100	7.06%
Amin Sudarshan	-	-	-	-	571800	11.44%
Amin Nitaben	-	-	-	-	304600	6.09%

**OTHER EQUITY**

Particulars	Reserves and Surplus				Other Comprehensive Income(OCI)	TOTAL
	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
<b>Balance at the beginning of the comparative reporting year</b>	-	2000.00	1.52	144.48	-	<b>2146.00</b>
Ind AS Adjustments for 01/04/2016	-	-	-	135.43	-	135.43
<b>Balance at the beginning of the comparative reporting Year - 1st April 2016</b>	<b>0.00</b>	<b>2000.00</b>	<b>1.52</b>	<b>279.91</b>	<b>0.00</b>	<b>2281.43</b>
Profit for the Comparative Year ending 31st March 2017	-	-	-	312.04	-	312.04
Other Comprehensive Income for the Comparative Year ending 31st March 2017	-	-	-	-	(7.20)	(7.20)
<b>Total Comprehensive Income for the Comparative Year</b>	-	-	-	<b>312.04</b>	<b>(7.20)</b>	<b>304.84</b>
<b>Transactions with owners in their capacity as owners:</b>						
Add: Received during the year	1605.00	-	-	-	-	1605.00
Dividends and Dividend Distribution Tax:						
- Final Dividend (Rs. 2.20 per share)	-	-	-	(110.00)	-	(110.00)
- Dividend Distribution Tax	-	-	-	(22.39)	-	(22.39)
Transfer to General Reserve	-	100.00	-	(100.00)	-	0.00
<b>Balance at the end of the comparative reporting Year ending 31st March 2017</b>	<b>1605.00</b>	<b>2100.00</b>	<b>1.52</b>	<b>359.56</b>	<b>(7.20)</b>	<b>4058.88</b>
Profit for the Current Reporting year ending 31st March 2018	-	-	-	535.91	-	535.91
Other Comprehensive Income for the Current Reporting year ending 31st March 2018	-	-	-	-	23.34	23.34
<b>Total Comprehensive Income for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>535.91</b>	<b>23.34</b>	<b>559.25</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends and Dividend Distribution Tax:						
- Final Dividend (Rs.2 per share)	-	-	-	(100.08)	-	(100.08)
- Dividend Distribution Tax	-	-	-	(20.37)	-	(20.37)
Transfer to General Reserve	-	100.00	-	(100.00)	-	0.00
<b>Balance at the end of the reporting year ending 31st March 2018</b>	<b>1605.00</b>	<b>2200.00</b>	<b>1.52</b>	<b>675.02</b>	<b>16.14</b>	<b>4497.68</b>



Nature and Purpose of each component of equity	Nature and Purpose
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Capital Reserve	Amount pertaining to forfeiture of shares
Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

**This is the Statement of Changes in Equity referred to in our report of even date**

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

N.Kashinath  
Partner  
Mem.No.036490

Vitthal Udyognagar, Dated 19th May, 2018

**For and on behalf of the Board**

Mr. Himanshu Patel	Chairperson & Managing Director
Mr. Aalap Patel	Director
Mr. Bipin Thakkar	Chief Financial Officer
Ms Dhvani Shah	Company Secretary

Vitthal Udyognagar, Dated 19th May, 2018


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**
**(Rs. in Lakhs)**

<b>Particulars</b>	<b>Year Ended 31 March 2018</b>	<b>Year Ended 31 March 2017</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>674.67</b>	<b>473.39</b>
<b>Adjustment for :</b>		
Depreciation	303.56	254.60
Unrealised Exchange (Gain) / Loss	(0.09)	(3.13)
Finance Cost (including fair value change in financial instruments)	144.12	227.94
Interest Income	(36.06)	(16.57)
Dividend Income	(0.01)	(0.01)
Remeasurements of Defined benefit plans	34.87	(10.75)
Loss / (Gain) on Sale / Disposal of Fixed Assets	(0.11)	0.00
	<b>446.28</b>	<b>452.08</b>
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>1120.95</b>	<b>925.47</b>
Trade receivables	(38.04)	(145.12)
Other Non Current Assets	0.60	0.60
Other Current Assets	55.56	(13.05)
Other Financial Assets	(31.59)	0.00
Inventories	(602.03)	187.21
Trade Payable	340.76	(297.68)
Provisions	0.17	(13.30)
Other Non Current Financial Liabilities	0.42	(0.89)
Other non-current liabilities	(26.65)	(5.76)
Other Current Financial Liabilities	12.71	2.51
Other liabilities	348.24	59.74
	<b>60.15</b>	<b>(225.74)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1181.10</b>	<b>699.73</b>
Direct Taxes paid	(158.79)	(147.97)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1022.31</b>	<b>551.77</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(129.56)	(640.75)
Proceeds from Sale of Fixed Assets	0.20	0.00
Capital Work in Progress And Capital Advance	(175.07)	8.61
Fixed Deposits with Banks	315.55	(991.31)
Loans (Financial assets)	3.33	0.75
Interest Income	39.76	18.53
Dividend income	0.01	0.01
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>54.22</b>	<b>(1604.16)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (CONTD..)**

(Rs. in Lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayments) / Proceeds from Working Capital Facilities (Net)	(216.57)	(285.19)
(Repayments) of Term Loans	(108.81)	(427.59)
(Repayments) of Other Short Term loans	(249.00)	0.00
Changes in Financial Liabilities	(195.59)	450.00
Increase in Share Capital including Premium	0.00	1755.00
Interest paid	(144.12)	(227.94)
Dividend and Corporate Dividend Tax	(111.02)	(108.05)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(1025.11)</b>	<b>1156.23</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>51.42</b>	<b>103.84</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2017</b>	<b>147.73</b>	<b>43.89</b>
Cash and Cash Equivalents (Note 9)	147.73	43.89
Current Financial Investments (Note 8)	0.00	0.00
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2018</b>	<b>199.14</b>	<b>147.73</b>
Cash and Cash Equivalents (Note 9)	98.82	147.73
Current Financial Investments (Note 8)	100.32	0.00

**Notes to Cash Flow Statement:**

- The above Cash Flow Statement has been prepared under the Indirect Method.
- Reconciliation of Financing Liabilities

	31.03.2018	31.03.2017
Opening Balance	1165.47	1878.25
Cash inflow/ (outflow) of non-current borrowings	(108.81)	(427.59)
Cash inflow / (outflow) of current borrowings	(465.57)	(285.19)
<b>Closing Balance</b>	<b>591.09</b>	<b>1165.47</b>

**This is the Cash Flow statement referred to in our report of even date**

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

N.Kashinath  
Partner  
Mem.No.036490

Vitthal Udyognagar, Dated 19th May, 2018

**For and on behalf of the Board**

Mr. Himanshu Patel	Chairperson & Managing Director
Mr. Aalap Patel	Director
Mr. Bipin Thakkar	Chief Financial Officer
Ms Dhvani Shah	Company Secretary

Vitthal Udyognagar, Dated 19th May, 2018



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

### Note 1 : Significant Accounting Policies

#### A General Information

Established in 1991, Swiss Glascoat Equipments Ltd. (SGEL) is based in western part of India, specializes in design and manufacturing of Carbon Steel Glass Lined Equipment viz. Reactors, Receivers / Storage Tanks, Dryers, Filters, Columns, Agitators, Valves, Pipes And Fittings. SGEL caters to requirement of leading Pharmaceutical / API, Specialty Chemicals, Dyes/ Colours, Agro Chemicals, Food Processing and allied Industries.

#### B Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated. (Refer Note:- D for the details of first-time adoption exemptions availed by the Company).

The Company has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transitioned from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

##### (i) Statement of Compliance

In accordance with the notification dated 16<sup>th</sup> February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1<sup>st</sup> April, 2016.

The Standalone Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 ('the Act') the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Financial Statements up to year ended 31<sup>st</sup> March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP').

The Financial Statement for the year ended 31<sup>st</sup> March, 2018 is the first Financial Statement of the Company which has been prepared in accordance with Ind AS. Previous year numbers for the year ended 31<sup>st</sup> March, 2017 in the Financial Statements have been restated to confirm to Ind AS. Accordingly, the date of transition to Ind AS is 1<sup>st</sup> April, 2016.

##### (ii) Basis of preparation and presentation

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 except the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

- Certain financial assets/liabilities measured at fair value (refer Note No. 27 for fair value of financial instruments) and
- Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee ('INR').

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, 2018 were authorised for issue in accordance with a resolution of the directors on 19th May, 2018.

##### (iii) Use of Estimate and judgment

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

##### Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes.

##### Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.



## Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits 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.

## 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. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## C Summary of Significant Accounting Policies

### Property, Plant And Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1<sup>st</sup> April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant And Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Description of the Asset	Estimated Useful Life
<b>Tangible:</b>	
Building – Factory	30 Years
Plant and Equipment	5-20 Years
Renewal Energy Devices	11 Years
Furniture and Fixtures	10 Years
Computers And Server	3 Years
Office Equipment	5 Years
Other Assets, viz., Air Conditioners And Electrical Installations	5-10 Years
Vehicles	8-10 Years
<b>Intangible:</b>	
Software	5 Years
Patent	10 Years

### Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of 1<sup>st</sup> April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) And Patents acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.



## **Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

## **Foreign Currency Transactions**

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit And Loss in the period in which they arise.

## **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 first in first out (FIFO) method.

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.

Goods include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

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

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit And Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

## **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.



## Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### a) Financial Assets

A financial asset inter-alia includes any asset that is cash or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, other investments, loans to employees /others and security deposits.

### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit And Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit And Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

### Subsequent measurement

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

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

### Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the 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 And Loss. The losses arising from impairment are recognized in the Statement of Profit And 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 other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit And Loss.

### Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

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



The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit And Loss.

## **b) Financial Liabilities**

The Company's financial liabilities include loans And borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

### **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 classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

### **Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

#### **Financial Liabilities classified as Amortised Cost**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

#### **Financial Liabilities classified as Fair value through profit And loss (FVTPL)**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

### **Dividend Distribution to equity shareholders**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

### **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item (i.e. PPE), are generally capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit And Loss.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit And Loss over the period of lease on straight line basis other than those cases where the escalations are linked to expected general inflation in which case they are charged on contractual terms.



## **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

## **Revenue Recognition and Other Income**

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 the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/Goods and Services Tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sale of services is recognised when the activity is performed.

Export incentives are recognised as income of the year on accrual basis.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Sale of scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the EIR method. Interest income on impaired loans is recognised using the original effective interest rate.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

## **Depreciation and Amortization**

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is depreciated separately if its useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets as specified in the Schedule II of the Companies Act 2013 to the extent of 95 percent except the following:-

Spares parts procured along with the Plant And Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related Plant And Machinery.

Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of five years. Patent recognized as 'Intangible Assets' is amortised prorata, on straight line basis over the estimated useful life of the asset which is estimated at 10 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

## **Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying 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.

## **Employee Benefits**

### **Short-term Employees Benefits**

All short term employees benefits such as salaries, wages, allowances, performance incentive, employee welfare costs, short term compensated absences, exgratia are recognised during the period in which the employee render services and are measured at undiscounted amount expected to be paid when the liabilities are settled.



## Post-employment benefits

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund.

## Defined benefits plans

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit And Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit And Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit And Loss except those included in cost of assets as permitted in the period in which they occur.

## Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

## Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

## Current tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

## Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

## Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

## 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.

## **D First time adoption of Ind AS – mandatory exceptions / optional exemptions**

### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

### **Derecognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

### **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### **Deemed cost for PPE, CWIP and Intangible assets**

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1<sup>st</sup> April 2016 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

## **E Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers and Appendix B to Ind AS 21, The Effects of Changes in Foreign Exchange Rates as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force from 1<sup>st</sup> April, 2018.

### **Ind AS 115 – Revenue from Contract with Customers:**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18, Revenue, Ind AS 11, Construction contracts and the related interpretations when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Identify the contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract and Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by Ind AS 115.

### **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

It clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, as when an entity has received or paid advance consideration in a foreign currency.

The Company has evaluated the effect of these amendments on the financial statement and the impact is not expected to be material.



(Rs. in Lakhs)

Note 2 (a) : Property, Plant and Equipment										Note 2 (c) : Intangibles			
Particulars	Buildings	Plant and equipment	Windmill	Tools and Equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total	Computer Software	Technical Know How	Total
<b>Gross Block</b>													
At Deemed cost as at 01 April 2016	478.85	1226.89	266.91	118.75	9.91	107.08	4.87	1.83	2.34	2217.43	33.41	-	33.41
Additions	-	6.47	-	40.76	0.52	-	0.79	0.97	1.06	50.57	4.68	585.50	590.18
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2017	478.85	1233.36	266.91	159.51	10.43	107.08	5.66	2.80	3.40	2268.00	38.09	585.50	623.59
Additions	1.24	71.67	-	21.00	-	-	6.97	22.99	0.21	124.08	5.48	-	5.48
Disposals	-	-	-	-	-	-	(0.39)	-	-	(0.39)	-	-	-
At cost as at 31 March 2018	480.09	1305.03	266.91	180.51	10.43	107.08	12.24	25.79	3.61	2391.69	43.57	585.50	629.08
<b>Depreciation Block</b>													
As at 01 April 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation / Amortisation for the year	24.17	125.81	47.65	11.81	1.68	20.62	1.33	0.81	0.74	234.62	1.92	18.06	19.98
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / amortisation as at 31 March 2017	24.17	125.81	47.65	11.81	1.68	20.62	1.33	0.81	0.74	234.62	1.92	18.06	19.98
Depreciation / Amortisation for the year	23.75	122.65	47.65	13.98	1.64	20.62	1.47	6.62	0.68	239.06	7.76	56.74	64.50
Disposals	-	-	-	-	-	-	(0.30)	-	-	(0.30)	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2018	47.92	248.46	95.30	25.79	3.32	41.24	2.50	7.43	1.42	473.38	9.68	74.80	84.48
<b>Net Block</b>													
As at 01 April 2016	478.85	1226.89	266.91	118.75	9.91	107.08	4.87	1.83	2.34	2217.43	33.41	-	33.41
As at 31 March 2017	454.68	1107.55	219.26	147.70	8.75	86.46	4.33	1.99	2.66	2033.38	36.17	567.44	603.61
As at 31 March 2018	432.17	1056.57	171.61	154.72	7.11	65.84	9.74	18.36	2.19	1918.31	33.90	510.70	544.60

**Note 2 (b) : Capital Work-in-Progress**

As at 01 April 2016	53.27
As at 31 March 2017	44.00
As at 31 March 2018	195.88

The Company used carrying amount of PPE as on transition date (i.e. 01.04.2016) as deemed cost for an item of Property, Plant and Equipment And Intangible Assets. The disclosure with respect to value of gross block, accumulated depreciation and net block of PPE accounted as deemed cost existing at the end of current financial year are as under:

Particulars	Gross Block	Accumulated Depreciation	Net Block
Buildings	778.11	347.18	430.93
Plant and equipment	2026.97	1047.02	979.95
Windmill	622.50	450.90	171.60
Tools and Equipments	161.47	64.87	96.60
Furniture and fixtures	37.30	30.60	6.70
Vehicles	189.43	123.58	65.85
Office equipment	13.80	11.19	2.61
Computers	6.30	5.67	0.63
Air Conditioners	11.60	10.29	1.31
	<b>3847.48</b>	<b>2091.30</b>	<b>1756.18</b>
Software	<b>36.96</b>	<b>11.76</b>	<b>25.20</b>



(Rs. in Lakhs)

Particulars	Non-Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016

## Note 3 : Trade Receivables

Trade receivables						
Unsecured, considered good	5.39	72.82	33.03	594.92	489.36	381.22
<b>Total</b>	<b>5.39</b>	<b>72.82</b>	<b>33.03</b>	<b>594.92</b>	<b>489.36</b>	<b>381.22</b>

**Note:** The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

## Note 4 : Financial Assets - Loans

Unsecured, Considered Good						
Security Deposits	4.88	4.97	7.29	2.71	2.86	2.86
Loans to Employees	-	-	-	0.43	3.51	1.94
<b>Total</b>	<b>4.88</b>	<b>4.97</b>	<b>7.29</b>	<b>3.14</b>	<b>6.37</b>	<b>4.80</b>

## Note 5 : Other Financial Assets

Bank deposits with more than 12 months maturity	224.28	218.48	201.63	-	-	-
Others:						
Interest Accrued on Loans and Deposits	-	-	-	7.21	10.91	12.87
Others	-	-	-	31.59	-	-
<b>Total</b>	<b>224.28</b>	<b>218.48</b>	<b>201.63</b>	<b>38.80</b>	<b>10.91</b>	<b>12.87</b>

## Note 6 : Other Assets

Capital Advances	24.62	1.43	0.77	-	-	-
Advances other than capital advances:						
Advances to suppliers	-	-	-	12.94	42.51	12.82
<b>Sub Total</b>	<b>24.62</b>	<b>1.43</b>	<b>0.77</b>	<b>12.94</b>	<b>42.51</b>	<b>12.82</b>
Others:						
Balance with statutory authorities	-	-	-	99.13	154.57	146.52
Advances recoverable in cash or kind	-	-	-	-	9.12	44.60
Prepaid Expenses	43.42	44.01	44.61	70.69	32.12	21.33
<b>Sub Total</b>	<b>43.42</b>	<b>44.01</b>	<b>44.61</b>	<b>169.82</b>	<b>195.81</b>	<b>212.45</b>
<b>Total</b>	<b>68.03</b>	<b>45.45</b>	<b>45.38</b>	<b>182.76</b>	<b>238.32</b>	<b>225.27</b>

## Note 7 : Inventories

Raw Materials			1560.75	1003.93	1130.62
Work-in-progress			3005.57	3080.33	3184.58
Finished goods			352.86	274.80	243.90
Stores and spares			70.00	28.08	15.25
<b>Total</b>			<b>4989.18</b>	<b>4387.14</b>	<b>4574.35</b>


**(Rs. in Lakhs)**
**Note 8 : Current Investments**

		No. of Units					
Particulars	Face Value	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Fully paid up - Unquoted - Non Trade							
i) In Mutual Fund Units: (at fair value through Profit or Loss )							
Reliance Liquid Fund TP (G)	10.00	2376.00	-	-	100.32	-	-
Total	-	2376.00	-	-	100.32	-	-

**(Rs. in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
-------------	------------------------	------------------------	------------------------

**Note 9 : Cash and Cash Equivalents**

Balances with Banks (of the nature of cash and cash equivalents)	97.53	146.93	43.17
Cash on hand	1.29	0.80	0.72
<b>Total</b>	<b>98.82</b>	<b>147.73</b>	<b>43.89</b>

**Note 10 : Bank Balances other than Cash and Cash Equivalents**

Deposits with original maturity of more than 3 months	621.23	952.00	1.89
Others:			
Unclaimed Dividend Account	69.54	60.11	35.77
<b>Total</b>	<b>690.77</b>	<b>1012.11</b>	<b>37.66</b>

**Note 11 : Borrowings**
**NON CURRENT**
Secured

Term loan:

from Banks	193.93	300.00	400.00
------------	--------	--------	--------

Unsecured

from Others	-	-	310.00
-------------	---	---	--------

<b>Sub - Total</b>	<b>193.93</b>	<b>300.00</b>	<b>710.00</b>
--------------------	---------------	---------------	---------------

**CURRENT**
Secured

Loans repayable on demand :

from Banks	298.56	515.13	1,043.92
------------	--------	--------	----------

Unsecured

Loans repayable on demand

from Others	-	249.00	5.40
-------------	---	--------	------

<b>Sub - Total</b>	<b>298.56</b>	<b>764.13</b>	<b>1049.32</b>
--------------------	---------------	---------------	----------------

<b>Total</b>	<b>492.49</b>	<b>1064.13</b>	<b>1759.32</b>
--------------	---------------	----------------	----------------



(Rs. in Lakhs)

## Note 11 : Borrowings (Contd..)

Nature of Borrowings	Interest Rate and Terms of Repayment
<b>Term Loan</b> Term Loan obtained from State Bank of India is secured by hypothecation of plant and equipment and other fixed assets of the company and further secured by equitable mortgage of lease hold land and buildings and other fixed assets.	Repayable in 60 equated monthly installments of Rs. 8.33 Lakhs starting from April, 2016. Rate of Interest is 9.90% p.a.
<b>Loans repayable on demand</b> Working capital loan from State Bank of India is secured by hypothecation of current assets of the Company and further secured by equitable mortgage of land and factory building and other Fixed Assets.	Rate of Interest is 9% p.a. (Previous Year 9%-10% p.a.)

Particulars	Non-Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016

## Note 12 : Trade Payables

Outstanding due of Micro and Small Enterprises	-	-	-	386.45	472.52	562.19
Outstanding due of Creditors other than Micro and Small Enterprises	-	3.37	6.98	1354.25	924.04	1128.76
<b>Total</b>	<b>0.00</b>	<b>3.37</b>	<b>6.98</b>	<b>1740.70</b>	<b>1396.56</b>	<b>1690.95</b>

## Note 13 : Other Financial Liabilities

Current maturities of long-term debt	-	-	-	98.60	101.34	118.93
Unclaimed dividends	-	-	-	69.54	60.11	35.77
Others :						
Security Deposit	2.42	2.00	2.88	1.67	2.51	3.08
Employee benefits	-	-	-	53.20	39.65	36.57
Others	87.72	450.00	-	166.69	-	-
<b>Total</b>	<b>90.14</b>	<b>452.00</b>	<b>2.88</b>	<b>389.70</b>	<b>203.61</b>	<b>194.35</b>

## Note 14 : Deferred Tax Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deferred Tax Liabilities			
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	291.45	345.95	317.48
<b>Total</b>	<b>291.45</b>	<b>345.95</b>	<b>317.48</b>

## Note 15 : Other Liabilities

Particulars	Non-Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Revenue received in advance	68.62	56.19	62.67	922.23	708.37	649.92
Others:						
Statutory Dues	-	-	-	26.37	55.19	42.66
Liabilities for expenses	-	-	-	525.35	375.46	386.70
Others	2.28	41.36	40.64	13.31	-	-
<b>Total</b>	<b>70.90</b>	<b>97.55</b>	<b>103.31</b>	<b>1487.26</b>	<b>1139.02</b>	<b>1079.28</b>


**(Rs. in Lakhs)**
**Note 16 : Current Provisions**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for employee benefits	2.17	2.00	15.30
<b>Total</b>	<b>2.17</b>	<b>2.00</b>	<b>15.30</b>

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Note 17 : Revenue from Operations</b>		
Sale Of Products	9798.62	8839.55
Sale Of Services; and	63.09	99.98
Other Operating Revenues:		
Export Incentives	12.47	6.21
Miscellaneous	2.11	3.04
<b>Total</b>	<b>9876.29</b>	<b>8948.78</b>

**Note 18 : Other Income**

Interest Income	36.06	16.57
Dividend Income	0.01	0.01
Net gains on fair value changes on financial assets classified as FVTPL	0.32	-
Net gain / loss on foreign currency translation and transaction	0.19	5.92
Net gain on sale of Property, Plant And equipment	0.11	-
Deferred Income	40.41	-
Other Non-Operating Income:		
Miscellaneous Income	24.03	3.58
<b>Total</b>	<b>101.13</b>	<b>26.08</b>

**Note 19 : Cost of Materials consumed**

Opening Stock of Raw Materials	1003.93	1130.62
Purchases during the year	5110.32	3532.80
Closing Stock of Raw Materials	(1560.75)	(1003.93)
<b>Total</b>	<b>4553.50</b>	<b>3659.49</b>

**Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Closing Stock:		
Finished Goods	352.86	274.80
Work-in-Progress	3005.57	3080.33
	3358.43	3355.13
Less: Opening Stock:		
Finished Goods	274.80	243.90
Work-in-Progress	3080.33	3184.58
	3355.13	3428.48
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	-
<b>Total</b>	<b>(3.30)</b>	<b>73.35</b>

**Note 21 : Employee Benefits Expense**

Salaries and Wages	615.64	556.67
Contribution to provident, gratuity and other funds	26.43	4.04
Staff welfare expenses	27.38	25.59
<b>Total</b>	<b>669.45</b>	<b>586.30</b>



(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Note 22 : Finance Costs</b>		
Interest on Loans and Deposits	37.42	42.32
Interest on Working Capital Facilities	65.64	150.67
Interest on Others	0.65	34.08
Other Borrowing Costs:		
Unwinding of discount relating to Long Term Liabilities	40.41	0.87
	<b>144.12</b>	<b>227.94</b>
<b>Note 23 : Other Expenses</b>		
Stores and Spares Consumed	452.80	348.63
Power and Fuel	1115.63	1115.23
Processing Expenses	1036.39	764.72
Rent	48.60	46.79
Rates and Taxes	7.07	5.49
Insurance	22.83	22.88
Printing and Stationery	9.54	8.80
Repairs and Renewals:		
Buildings	2.36	24.38
Plant and Machinery	64.62	85.29
Other Assets	6.06	9.26
Travelling and Conveyance	38.76	24.30
Communication Expenses	6.91	8.27
Vehicle Expenses	4.17	6.69
Auditors' Remuneration:		
As Auditors:		
Audit fee	6.50	2.25
Tax Audit fee	1.00	-
Sales Promtotion Expenses	27.36	15.36
Bad Debts written-off	57.20	2.70
Donation	1.32	5.77
Security Expenses	23.05	18.17
Commission	209.03	170.42
Freight and Forwarding (Net)	121.99	73.47
Bank Charges	31.09	32.50
Miscellaneous Expenses	129.59	106.60
<b>Total</b>	<b>3423.87</b>	<b>2897.97</b>


**(Rs. in Lakhs)**
**Note 24 (a) - Reconciliation of Equity as at 1st April 2016 (date of transition)**

<b>Particulars</b>	<b>Foot Notes</b>	<b>Previous GAAP *</b>	<b>Adjustments</b>	<b>Ind AS</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	24(d)(v)	2262.65	(45.22)	2217.43
Capital Work-in-Progress		53.27	-	53.27
Other Intangible Assets		33.41	-	33.41
<b>Financial Assets:</b>				
- Investments		0.08	(0.08)	-
- Loans		8.07	(0.78)	7.29
- Trade Receivables		33.03	(0.00)	33.03
- Other financial assets		-	201.63	201.63
Other non-current assets	24(d)(v)	201.63	(156.25)	45.38
<b>Current assets</b>				
Inventories		4574.35	-	4574.35
<b>Financial Assets:</b>				
- Loans		4.71	0.09	4.80
- Trade Receivables		381.22	-	381.22
- Cash and cash Equivalents		81.54	(37.65)	43.89
- Bank balances other than cash and cash equivalents		-	37.66	37.66
- Other financial assets		-	12.87	12.87
Current Tax Assets (Net)		-	79.78	79.78
Other current assets		317.32	(92.05)	225.27
<b>Total Assets</b>		<b>7951.28</b>	<b>0.00</b>	<b>7951.28</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		500.00	-	500.00
Other equity	24 (d) (i) & (ii)	2146.00	135.43	2281.43
<b>Equity attributable to owners</b>		<b>2646.00</b>	<b>135.43</b>	<b>2781.43</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities:</b>				
- Borrowings		710.00	-	710.00
- Trade Payables		-	6.98	6.98
- Other Financial Liabilities		-	2.88	2.88
Provisions		-	-	-
Deferred Tax Liabilities (Net)		317.48	-	317.48
Other non-current liabilities		113.17	(9.86)	103.31
<b>Current Liabilities</b>		<b>1140.65</b>	<b>-</b>	<b>1140.65</b>
<b>Financial Liabilities:</b>				
- Borrowings		1049.32	-	1049.32
- Trade Payables		1690.95	-	1690.95
- Other Financial Liabilities	24 (d) (i)	-	194.35	194.35
Other Current Liabilities		1291.98	(212.70)	1079.28
Provisions	24 (d) (ii)	132.39	(117.09)	15.30
Current Tax Liabilities (Net)		-	-	-
<b>Total current liabilities</b>		<b>4164.64</b>	<b>(135.44)</b>	<b>4029.20</b>
<b>Total Liabilities</b>		<b>5305.29</b>	<b>(135.44)</b>	<b>5169.85</b>
<b>Total Equity and Liabilities</b>		<b>7951.28</b>	<b>0.01</b>	<b>7951.28</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



(Rs. in Lakhs)

**Note 24 (b) - Reconciliation of Equity as at 31st March 2017**

Particulars	Foot Notes	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	24(d)(v)	2078.59	(45.21)	2033.38
Capital Work-in-Progress		44.00	-	44.00
Other Intangible Assets		603.61	-	603.61
Financial Assets:				
- Investments		0.08	(0.08)	-
- Loans		8.57	(3.60)	4.97
- Trade Receivables		72.82	-	72.82
- Others financial assets		-	218.48	218.48
Other non-current assets	24(d)(v)	218.48	(173.03)	45.45
<b>Current assets</b>				
Inventories		4387.13	0.01	4387.14
Financial Assets:				
- Trade Receivables		489.36	-	489.36
- Cash and cash Equivalents		1159.84	(1012.11)	147.73
- Bank balances other than cash and cash equivalents		-	1012.11	1012.11
- Loans		4.14	2.23	6.37
- Others financial assets		-	10.91	10.91
Other current assets	24(d)(v)	347.05	(108.73)	238.32
Current Tax Assets (Net)		-	98.42	98.42
<b>Total Assets</b>		<b>9413.67</b>	<b>(0.60)</b>	<b>9413.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		650.00	-	650.00
Other equity	24 (d) (i) & (ii)	3936.86	122.02	4058.88
<b>Total equity</b>		<b>4586.86</b>	<b>122.02</b>	<b>4708.88</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities:				
- Borrowings		300.00	-	300.00
- Trade Payables		-	3.37	3.37
- Other Financial Liabilities		-	452.00	452.00
Provisions		-	-	-
Deferred Tax Liabilities (Net)		345.95	-	345.95
Other non-current liabilities		552.92	(455.37)	97.55
		<b>1198.87</b>	<b>0.00</b>	<b>1198.87</b>
<b>Current Liabilities</b>				
Financial Liabilities:				
- Borrowings		764.13	-	764.13
- Trade Payables		1396.55	0.01	1396.56
- Other Financial Liabilities	24 (d) (i)	-	203.61	203.61
Other Current Liabilities		1346.81	(207.79)	1139.02
Provisions	24 (d) (ii)	120.45	(118.45)	2.00
Current Tax Liabilities (Net)		-	-	-
<b>Total current liabilities</b>		<b>3627.94</b>	<b>(122.62)</b>	<b>3505.32</b>
<b>Total Liabilities</b>		<b>4826.81</b>	<b>(122.62)</b>	<b>4704.19</b>
<b>Total Equity and Liabilities</b>		<b>9413.67</b>	<b>(0.60)</b>	<b>9413.07</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.


**(Rs. in Lakhs)**
**Note 24 (c) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2017**

Particulars	Foot Note	Previous GAAP*	Reclassification	Ind AS	Adjustments	Ind AS
<b>INCOME</b>						
Revenue from Operations		8147.23	801.55	-	801.55	8,948.78
Other Income		35.33	(9.25)	-	(9.25)	26.08
<b>TOTAL INCOME</b>		<b>8182.56</b>	<b>792.30</b>	<b>0.00</b>	<b>792.30</b>	<b>8,974.86</b>
<b>EXPENSES</b>						
Cost of materials consumed		3659.49	-	-	-	3659.49
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		73.35	-	-	-	73.35
Employee Benefits expense	24 (d) (iii)	597.06	-	(10.76)	(10.76)	586.30
Finance Costs	24 (d) (i)	227.07	-	0.87	0.87	227.94
Depreciation and Amortisation expense		254.60	-	-	-	254.60
Excise Duty		-	801.82	-	801.83	801.82
Other Expenses	24(d)(v)	2906.89	(9.52)	0.60	(8.93)	2,897.97
<b>TOTAL EXPENSES</b>		<b>7718.46</b>	<b>792.30</b>	<b>(9.29)</b>	<b>783.01</b>	<b>8501.47</b>
<b>PROFIT BEFORE TAX</b>		<b>464.10</b>	<b>0.00</b>	<b>9.29</b>	<b>9.29</b>	<b>473.39</b>
<b>TAX EXPENSE</b>						
(1) Current Tax		129.32	-	3.56	3.56	132.88
(2) Deferred Tax		28.47	-	-	-	28.47
<b>TOTAL TAX EXPENSE</b>		<b>157.79</b>	<b>0.00</b>	<b>3.56</b>	<b>3.56</b>	<b>161.35</b>
<b>PROFIT FOR THE YEAR</b>		<b>306.31</b>	<b>0.00</b>	<b>5.73</b>	<b>5.73</b>	<b>312.04</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined benefit plans	24 (d) (iii)	-	-	(10.76)	(10.76)	(10.76)
Income Tax relating to items that will not be reclassified to Profit or Loss	24 (d) (iii)	-	-	3.56	3.56	3.56
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>0.00</b>	<b>0.00</b>	<b>(7.20)</b>	<b>(7.20)</b>	<b>(7.20)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>306.31</b>	<b>0.00</b>	<b>(1.47)</b>	<b>(1.47)</b>	<b>304.84</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Note 24 (d) - Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31st March, 2017**
**i) FVTPL Financial Liabilities:**

Under previous GAAP, the Company accounted for non-current borrowings at cost. Under Ind-AS, the borrowings are required to be classified and measured subsequently at fair value through profit or loss. At the date of transition to Ind-AS, difference between the fair value and GAAP carrying amount of Rs. 3.04 Lakhs has been recognised in the retained earnings. The impact of Rs. 0.83 Lakhs as at 31st March, 2017 has been recognised in the statement of profit and loss.

**ii) Provisions:**

Under previous GAAP, proposed dividend including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting).

Accordingly, the liability of Rs. 1.32 Lakhs for the year ended on 31st March, 2016 recorded for proposed dividend has been derecognised against retained earnings on 1st April, 2016.

**iii) Defined Benefit Obligation:**

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 7.16 Lakhs (Net of Tax of Rs. 3.79 Lakhs) as at 31st March, 2017 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

**iv) Other Comprehensive Income:**

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind-AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind-AS.

**v) Leasehold Land:**

Under previous GAAP, leasehold land had not been amortised. In Contrast, the IND AS requires amortisation of leasehold land over the period of lease. Accordingly, lease rental of Rs. 0.60 Lakhs has been provided in the year ended 31st March, 2017. Also the same has been classified as prepaid lease rentals.



**Note 25 : Capital Management**

**A. CAPITAL MANAGEMENT :**

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31st March 2018	As at 31st March 2017
Interest bearing Loans and Borrowings	292.54	401.34
Less: Cash and Short Term Deposits	789.59	1159.84
<b>Net Debt</b>	<b>(497.05)</b>	<b>(758.50)</b>
Equity	650.00	650.00
Other Equity	4497.68	4058.88
<b>Total Capital</b>	<b>5147.68</b>	<b>4708.88</b>
<b>Capital and Net Debt</b>	<b>4650.63</b>	<b>3950.39</b>
<b>Gearing Ratio %</b>	<b>(10.69%)</b>	<b>(19.20%)</b>

**B. FINANCIAL RISK MANAGEMENT OBJECTIVES :**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short-term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities

**A. Market Risk Management:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**1) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in Rs. in lakhs :

Particulars		As at 31st March 2018	As at 31st March 2017
Outstanding foreign currency exposure as at			
Financial Assets	USD	-	6.83
	EURO	-	18.66
Financial Liabilities	USD	-	-
	EURO	-	-
	GBP	-	2.30
Net Exposure	USD	-	6.83
	EURO	-	18.66
	GBP	-	(2.30)
The company is mainly exposed to changes in US Dollar.			
The sensitivity to a 0.25% to 1% increase or decrease in FC	USD	-	0.07
against INR with all other variables held constant will be	EURO	-	0.19

The Sensitivity analysis is prepared on the net unhedged exposure of the Company at the reporting date.

**2) Interest Rate Risk:**

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

**Exposure to interest rate risk**

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Fixed-rate Instruments			
Financial Liabilities	492.49	1064.13	1759.32


**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**3) Commodity price risk:**

The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices.

**B. Credit Risk Management:**

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 Receivables:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

**The ageing of trade receivables is as follows:**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
More than 6 months	155.54	205.16	96.20
Others	444.76	357.02	318.05
<b>Total</b>	<b>600.30</b>	<b>562.18</b>	<b>414.25</b>

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	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	11 and 13	397.16 (865.47)	193.93 (241.67)	- (58.33)	- -
Trade Payable	12	1740.69 (1396.56)	- -	- -	- -
Security Deposit	13	1.67 (2.51)	2.42 (2.00)	- -	- -
Employee Benefit/Expense liabilities	13	53.20 (39.65)	- -	- -	- -
Unclaimed dividends	13	69.54 (60.11)	- -	- -	- -
Others	13	166.69 -	87.72 -	- -	- -

Figures in brackets are in respect of Previous year

**Note 26 :Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Accounting Profit before Income Tax</b>	<b>674.67</b>	<b>473.39</b>
At India's statutory income tax rate of 33.063% (31 March 2016: 33.063%)	223.06	156.52
Effect of exempt / Lower Tax non-operating income	(29.79)	-
Effect of non-deductible expenses	(42.98)	4.83
<b>Total</b>	<b>150.29</b>	<b>161.35</b>



## Note 26 A : 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

		Carrying amount					Fair value		
31 March 2018	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	8	100.32	-	-	100.32	100.32	-	-	100.32
Trade Receivables	3	-	-	600.30	600.30	-	-	600.30	600.30
Loans	4	-	-	8.02	8.02	-	-	8.02	8.02
Others financial assets	5	-	-	263.08	263.08	-	-	263.08	263.08
Cash and cash equivalents	9	-	-	98.82	98.82	-	-	98.82	98.82
Bank balances other than above	10	-	-	690.77	690.77	-	-	690.77	690.77
		100.32	0.00	1660.99	1761.31	100.32	0.00	1660.99	1761.31
Financial liabilities									
Borrowings	11	-	-	591.09	591.09	-	591.09	-	591.09
Trade Payables	12	-	-	1740.69	1740.69	-	-	1740.69	1740.69
Other Financial Liabilities	13	-	-	381.24	381.24	-	-	381.24	381.24
		0.00	0.00	2121.93	2121.93	0.00	0.00	2121.93	2121.93

		Carrying amount					Fair value		
31 March 2017	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	8	-	-	-	-	-	-	-	-
Trade Receivables	3	-	-	562.18	562.18	-	-	562.18	562.18
Loans	4	-	-	11.34	11.34	-	-	11.34	11.34
Others financial assets	5	-	-	229.39	229.39	-	-	229.39	229.39
Cash and cash equivalents	9	-	-	147.73	147.73	-	-	147.73	147.73
Bank balances other than above	10	-	-	1012.11	1012.11	-	-	1012.11	1012.11
		0.00	0.00	1962.75	1962.75	0.00	0.00	1962.75	1962.75
Financial liabilities									
Borrowings	11	-	-	1165.47	1165.47	-	1165.47	-	1165.47
Trade Payables	12	-	-	1399.93	1399.93	-	-	1399.93	1399.93
Other Financial Liabilities	13	-	-	554.26	554.26	-	-	554.26	554.26
		0.00	0.00	1954.19	1954.19	0.00	1165.47	1954.19	1954.19

		Carrying amount					Fair value		
1 April 2016	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	8	-	-	-	-	-	-	-	-
Trade Receivables	3	-	-	414.25	414.25	-	-	414.25	414.25
Loans	4	-	-	12.09	12.09	-	-	12.09	12.09
Others financial assets	5	-	-	214.49	214.49	-	-	214.49	214.49
Cash and cash equivalents	9	-	-	43.89	43.89	-	-	43.89	43.89
Bank balances other than above	10	-	-	37.66	37.66	-	-	37.66	37.66
		0.00	0.00	722.38	722.38	0.00	0.00	722.38	722.38
Financial liabilities									
Borrowings	11	-	-	1878.25	1878.25	-	1878.25	-	1878.25
Trade Payables	12	-	-	1697.93	1697.93	-	-	1697.93	1697.93
Other Financial Liabilities	13	-	-	78.30	78.30	-	-	78.30	78.30
		0.00	0.00	3654.48	3654.48	0.00	1878.25	1776.23	3654.48


**B. Measurement of fair values**
Valuation techniques and significant unobservable inputs:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

**NOTE 27 : ADDITIONAL/EXPLANATORY INFORMATION**
**a) Earnings Per Share**

Particulars	As at 31 March 2018	As at 31 March 2017
Profit after taxation	535.91	312.04
Number of equity shares (Face Value Rs. 10/-)	6500000	5004110
Earnings per share	8.24	6.24

- b) The Company's leasing arrangements are in respect of operating leases for factory and office premises. The leasing arrangements, which are not non-cancellable, are for one year generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

**c) 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	31-Mar-18	31-Mar-17	1-Apr-16
(i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year	386.45	472.52	562.19

Dues to MSME has 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

**d) Disclosures under Ind AS 108 - "Operating Segment" - (Refer Note below)**

Particulars	As at 31.03.2018	As at 31.03.2017
(i) Entity wide disclosure required by Ind AS 108 are as detailed below:		
Equipments	8898.35	8015.66
Spares	900.11	823.89
Services	63.09	99.98
	9861.55	8939.53
(ii) Revenue from External Customers:		
India	9633.89	8536.24
Outside India	227.66	403.29
	9861.55	8939.53
(iii) Non-current assets (other than financial instruments)		
India	2961.37	3022.71
Outside India	-	-

- (iv) There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

**Note:-**

The Company is engaged interalia in the manufacture of Chemicals. These in the context of Ind AS 108 " Operating Segment" are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the Accounting Standard. Non-reportable segments have not been disclosed as unallocated reconciling item in view of their materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable.



(Rs. in Lakhs)

**e) Related party disclosures ( As per Ind AS 24: Related Party Disclosures ) :**

(a) Names of related parties and nature of relationship where control exists are as under:

(b) Names of other related parties and nature of relationship:

Holding Company	HLE Engineers Pvt Ltd
Key Managerial Personnel:	Mr. Sudarshan Amin (Managing Director) - up to 31.12.2016 Mr. Himansu Patel (Chairman and Managing Director) Mr. Aalap Patel (Executive Director - Technical) Mr. Bipin Thakker (Chief Financial Officer) Ms Dhvani Shah (Company Secretary and Compliance Officer)

Relatives of Key Management Personnel:	Mr. Daxesh Thakker Mrs. Nita Amin Ms Chandni Amin Ms. Phagun Amin Mrs. Kalpana Amin Mr. Nilesh Patel Mr. Harsh Patel
--	--

Companies in which Directors are interested:	Chemfilt & Yashashvi Rasayan Pvt Ltd
--	--------------------------------------

Companies in which Relatives of Directors are interested:	Shri Hari Manpower Agency
---	---------------------------

(c) Transactions with related parties (excluding reimbursements)

Nature of Transactions		Transactions		Outstanding Payable/(Receivable)		
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>i) Holding Company</b>						
	Purchase of Goods/Services	13.44	-	15.85	-	-
	Dividend	34.59	-	-	-	-
<b>ii) Key Managerial Personnel</b>						
	Remuneration*	96.98	81.09	15.95	7.45	14.60
	Dividend	0.40	12.58	-	-	-
<b>iii) Relatives of Key Managerial Personnel</b>						
	Dividend	0.40	16.77	-	-	-
<b>iv) Companies in which Directors are interested:</b>						
	Purchase of Services	-	29.94	-	7.34	10.02
	Sale of Goods/Services	207.92	-	(127.07)	-	-
<b>v) Companies in which Relatives of Directors are interested:</b>						
	Purchase of Services	111.05	86.24	12.11	7.92	6.32

\* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

d) Terms and conditions of transactions with related parties :

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.


**(Rs. in Lakhs)**
**f) Disclosures as per IND AS - 19 - Employee Benefits**

1) During the year / period, the company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	As at 31 March 2018	As at 31 March 2017
i) <b>Employer's contribution to Provident Fund</b>	16.50	14.80
*Included in "Contribution to Provident and other Funds" (Note 21).		

**ii) Defined benefit obligation:**

a) The valuation results for the defined benefit gratuity plan as at 31-3-2018 are produced in the tables below:

**i) Changes in the Present Value of Obligation**

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Present Value of Obligation as at the beginning</b>	<b>65.70</b>	<b>52.99</b>
Current Service Cost	9.07	6.07
Interest Expense or Cost	4.62	3.41
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in financial assumptions	(3.46)	13.27
- experience variance (i.e. Actual experience vs assumptions)	(22.60)	1.82
Benefits Paid	(4.01)	(11.86)
<b>Present Value of Obligation as at the end</b>	<b>49.32</b>	<b>65.70</b>

**ii) Changes in the Fair Value of Plan Assets**

<b>Fair Value of Plan Assets as at the beginning</b>	<b>53.84</b>	<b>42.83</b>
Investment Income	3.76	3.23
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding interest income	20.67	4.34
Employer's Contribution	-	15.30
Benefits Paid	(4.01)	(11.86)
<b>Fair Value of Plan Assets as at the end</b>	<b>74.26</b>	<b>53.84</b>

**iii) Expenses Recognised in the Income Statement**

Current Service Cost	9.07	6.07
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.86	0.18
<b>Expenses Recognised in the Income Statement</b>	<b>9.93</b>	<b>6.25</b>

**iv) Other Comprehensive Income**

Actuarial (gains) / losses		
- change in financial assumptions	(3.46)	13.27
- experience variance (i.e. Actual experience vs assumptions)	(22.60)	1.82
Adjustment of present value of obligation at the beginning of the year	11.86	-
Return on Plan Assets excluding interest income	(20.67)	(4.34)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(34.87)</b>	<b>10.75</b>

**v) Major categories of Plan Assets (as percentage of Total Plan Assets)**

Funds managed by Insurer	100%	100%
--------------------------	------	------

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.



(Rs. in Lakhs)

**vi) Actuarial Assumptions:**

**a. Financial Assumptions**

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

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate (per annum)	7.74%	7.25%
Salary growth rate (per annum)	6.00%	6.00%

**b. Demographic Assumptions**

Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
0-29 years	0.10%	0.10%
29 - 45 years	0.30%	0.30%
45-60 years	0.60%	0.60%

**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	As at 31 March 2018
Defined Benefit Obligation (Base)	49

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	56.76	43.18	Not Available	
(% change compared to base due to sensitivity)	15.1%	(12.4%)	Not Available	
Salary Growth Rate (- / + 1%)	56.77	43.07	Not Available	
(% change compared to base due to sensitivity)	15.1%	(12.7%)	Not Available	
Attrition Rate (- / + 50%)	266.77	270.74	266.77	270.74
(% change compared to base due to sensitivity)	(0.8%)	0.7%	(0.8%)	0.7%
Mortality Rate (- / + 10%)	268.31	269.40	268.31	269.40
(% change compared to base due to sensitivity)	(0.2%)	0.2%	(0.2%)	0.2%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

**b. Asset Liability Matching Strategies**

The scheme is managed on funded basis.

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

**- Funding arrangements and Funding Policy**

The scheme is managed on funded basis.

**- Expected Contribution during the next annual reporting period**

(Rs. in Lakhs)

The Company's best estimate of Contribution during the next year

7.22

**- Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flows)

14.84 Years

**- Expected cash flows over the next (valued on undiscounted basis):**

(Rs. in Lakhs)

1 year

6.44

2 to 5 years

2.56

6 to 10 years

6.40



**g) Commitment:**

- (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - Rs. 142.39 Lakhs (Previous Year Rs. Nil)

**h) Contingent Liabilities not provided for:**

- (i) Guarantees given by the Banks - Rs. 809.39 Lakhs (Previous Year - Rs. 554.06 Lakhs)
- (ii) Letters of Credit issued by the Banks - Rs. 888.28 Lakhs (Previous Year - Rs. 351.65 Lakhs)
- (iii) Claims not acknowledged as debts:
- (a) There is a pending litigation against the Company for compensation of loss of profit of Rs. 500.00 Lakhs. The Company has been legally advised that the compensation demanded is likely to be deleted and accordingly, in the opinion of the management, no provision is considered necessary.
- (b) Disputed Income Tax for the Assessment Year 2003-04 and 2004-05 pending before High Court Rs. 15.89 Lakhs (Previous Year - 15.89 Lakhs) and Rs. 58.80 Lakhs (Previous Year Rs. 58.80 Lakhs) respectively
- (c) Disputed service tax for the period 2008 to 2013 is Rs. 16.47 Lakhs (Previous Year - Rs. 28.54 Lakhs) pending before CESTAT, against which company has made payment of Rs. 5.19 Lakhs (Previous Year - 5.19 Lakhs)
- (d) Disputed service tax for the period 2012 to 2015 is Rs. 29.07 Lakhs (Previous Year - Rs. 29.07 Lakhs) pending before CESTAT, against which company has made payment of Rs. 5.09 Lakhs (Previous Year - Rs. 5.09 Lakhs)

**i) Events Occuring after the Balance Sheet date:**

The proposed final dividend for FY 2017-18 amounting to Rs.130.00 Lakhs will be recognised as distribution to owners during the financial year 2018-19 on its approval by Shareholders. The proposed final dividend per share amounts to Rs.2/-

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

N.Kashinath  
Partner  
Mem.No.036490

Vitthal Udyognagar, Dated 19th May, 2018

**For and on behalf of the Board**

Mr. Himanshu Patel	Chairperson & Managing Director
Mr. Aalap Patel	Director
Mr. Bipin Thakkar	Chief Financial Officer
Ms Dhvani Shah	Company Secretary

Vitthal Udyognagar, Dated 19th May, 2018



## ATTENDANCE SLIP

**Please complete attendance slip and hand it over at the entrance of the Meeting hall. Joint shareholders may obtain additional slip on request.**

Attendance by (Please tick appropriate box)

- ☐ Member / Shareholder  
☐ Proxy  
☐ Authorised Representative

Name of Shareholder (S)

Address :

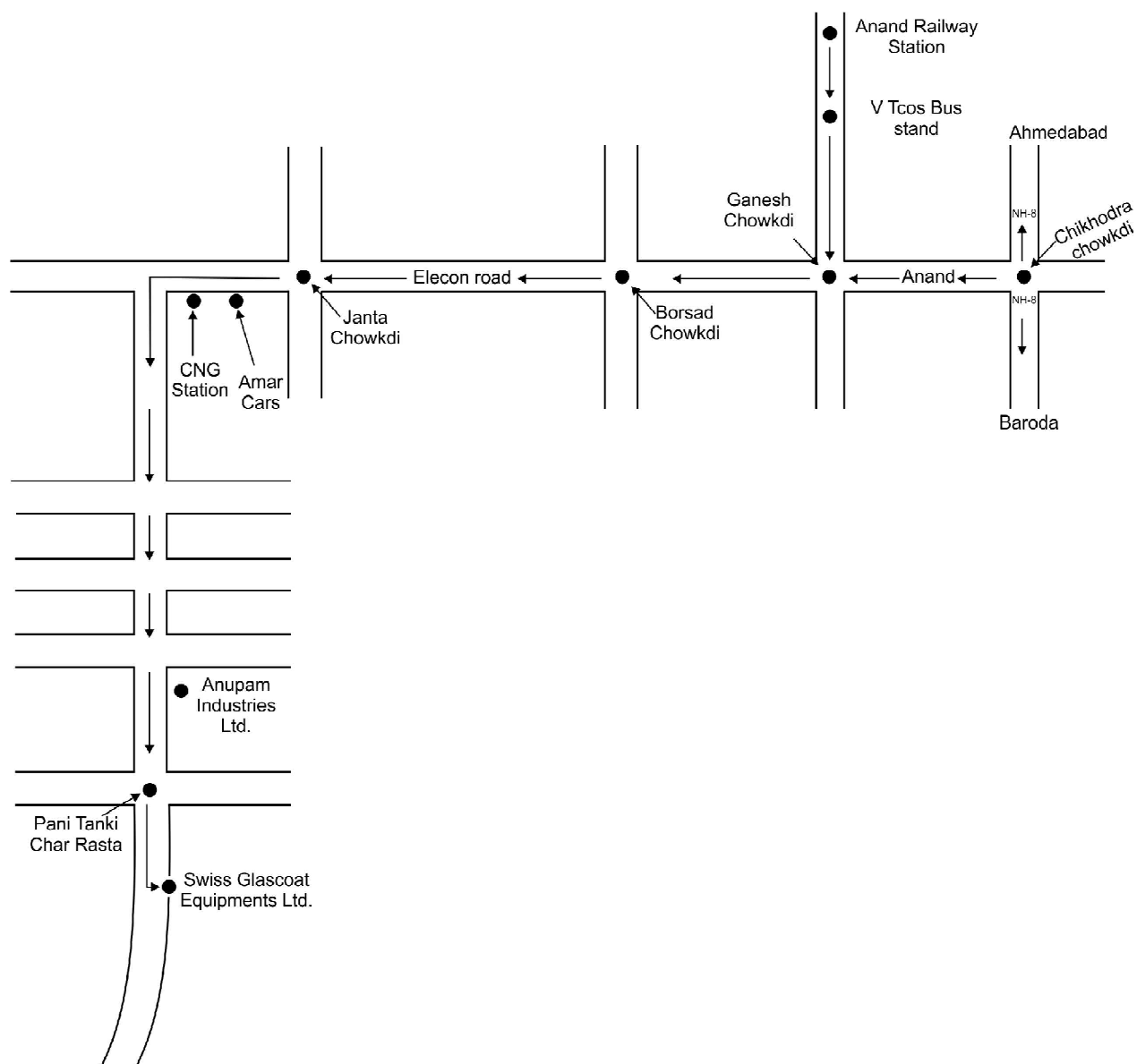
Folio no. /DP ID-Client ID

No. of Shares hold :

I/ We hereby record my presence at the 27th Annual General Meeting of the Company held on 3rd August, 2018 at 02.30 pm at its Registered Office of the Company.

----- tear along -----

## ROUTE MAP OF THE AGM VENUE



**THIS PAGE HAS BEEN INTENTIONALLY KEPT BLANK**



## FORM NO. MGT-11\_PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name & Address of the Shareholder: (In BLOCK Letters)	
E-mail Id:	Registered Folio No.:
No. of Shares Held:	DPID & Client ID:

I/ We \_\_\_\_\_ being Member/ Members of Swiss Glascoat Equipments Limited, hereby appoint-

1.	Name:	
	Registered address:	
	E-mail Id:	
	Signature	

or failing him

2.	Name:	
	Registered address:	
	E-mail Id:	
	Signature	

or failing him

3.	Name:	
	Registered address:	
	E-mail Id:	
	Signature	

as my/ our Proxy to vote (on a poll) for me/ us and on my/ our behalf at 27th Annual General Meeting to be held on 3rd August, 2018 at 02.30 pm at its Registered Office and at any adjournment thereof in respect of all resolutions proposed to be passed therein as under:

Resolution No.	Resolution Details	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS:			
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2018, including the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Auditor and the Board thereon.		
2.	Declaration of final dividend on Equity Shares of the Company for the financial year ended March 31, 2018.		
3.	Appointment of Director in place of Mr. Nilesh Patel (DIN 0141873), Director, who retires by rotation and being eligible, has offered himself for reappointment.		
SPECIAL BUSINESS:			
4.	To provide Loan in accordance with Sections 185 and 186 of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of the shareholder \_\_\_\_\_

Affix One  
Rupee  
Revenue  
Stamp

### Notes:

- The Proxy must be lodged at the Regd. Office of the Company mentioned as above, not less than 48 hours before the time of the Annual General Meeting.
- The Proxy need not be a Member of the Company.
- In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint-holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- This form of proxy confers authority to demand or join in demanding a poll.
- The submission by a Member of this form of proxy will not preclude such Member from attending in person and voting at the Meeting.

Proxy No.: _____	<b>For Office Use</b>	Date of Receipt: _____
------------------	-----------------------	------------------------



**THIS PAGE HAS BEEN INTENTIONALLY KEPT BLANK**



**If undelivered, please return to :**



**SWISS GLASCOAT EQUIPMENTS LIMITED**

**Regd. Office :** H-106, Phase IV, G.I.D.C.,  
Vitthal Udyognagar - 388 121  
Dist. Anand, Gujarat, INDIA