Resinova Chemie Limited

Financial Statements

FY 2020-21

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Resinova Chemie Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Resinova Chemie Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 2(t) to the financial statements which describes that the Company had recognised Goodwill on amalgamation during the financial year ended March 31, 2015, which is being amortised over a period of seven years from the appointed date (that is November 20, 2014), in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by the Gujarat High Court.

Our opinion is not qualified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

S R B C & CO LLP CHARTERED ACCOUNTANTS

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 21110759AAAACO8744

Place of Signature: Mumbai
Date: May 18, 2021

S R B C & CO LLP CHARTERED ACCOUNTANTS

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Resinova Chemie Limited for the year ended March 31, 2021

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment;

(b) The Property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties held as in property, plant and equipment are in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

(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 Companies Act, 2013, related to the manufacture of Adhesives, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) a) According to the information and explanation given to us and examination of records of the company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute except for the following.

Name of the Statute	Nature of the Dues	Amounts (INR in million)	Period to which amounts relates	Forum where the dispute is pending
Central Excise Act,1944	Excise Duty	0	FY 2016-17 & FY 2017-18	Assistant Commissioner Central Excise.
West Bengal Sales Tax Act	Entry Tax	5	FY 2014-15	High Court (West Bengal)
UP Stamp Act	Stamp Duty	0	FY 2007-08	High Court (Allahabad)

*All amounts individually less than ₹ 0.5 million have been reported as "0"

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings from banks. The Company did not have any due payable to the financial institutions, debenture holders and government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, 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 Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in notes to the Ind AS financial statements, as required by the applicable accounting standards.

S.R.B.C & CO LLP CHARTERED ACCOUNTANTS

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 21110759AAAACO8744

Place of Signature: Mumbai
Date: May 18, 2021

Annexure 2 to the Independent Auditor's Report of Even Date on the Financial Statements of Resinova Chemie Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Resinova Chemie Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 21110759AAAACO8744

Place of Signature: Mumbai
Date: May 18, 2021

S R B C & CO LLP
CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (A)	1,430	1,459
(b) Capital work-in-progress		44	18
(c) Goodwill	3 (B)	235	603
(d) Other intangible assets	3 (B)	5	6
(e) Right of Use Assets	3 (C)	58	72
(f) Financial assets			
(i) Investments	4	0	-
(ii) Loans	5	0	0
(iii) Other financial assets	6	15	14
(g) Other non-current assets	7	10	8
Total non-current assets		1,797	2,180
Current assets			
(a) Inventories	8	745	953
(b) Financial assets			
(i) Trade receivables	9	374	451
(ii) Cash and cash equivalents	10	72	18
(iii) Bank balances other than (ii) above	11	1,402	561
(iv) Loans	5	2	1
(v) Other financial assets	6	3	3
(c) Current tax assets (Net)	12	7	26
(d) Other current assets	7	35	122
Total current assets		2,640	2,135
Total assets		4,437	4,315
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	3	3
(b) Other equity	14	3,632	3,419
Total equity		3,635	3,422
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	28
(ii) Lease liabilities	38	1	8
(b) Provisions	16	14	15
(c) Deferred tax liabilities (Net)	17	9	50
Total non-current liabilities		24	101

RESINOVA CHEMIE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	38	7	13
(ii) Trade payables	18		
a total outstanding dues of micro enterprises and small enterprises		-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises		604	433
(iii) Other financial liabilities	19	78	280
(b) Other current liabilities	20	64	52
(c) Provisions	16	17	14
(d) Current tax liabilities (Net)	21	8	-
Total current liabilities		**778**	**792**
Total liabilities		**802**	**893**
Total equity and liabilities		**4,437**	**4,315**

See accompanying notes to the financial statements

As per report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No.: 110759

Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors of
Resinova Chemie Limited
CIN:U24295GJ2009PLC058120

Sandeep P. Engineer
Chiarman & Managing Director
DIN : 00067112

Place : Ahmedabad
Date : May 18, 2021

RESINOVA CHEMIE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2021

(Rs. in million, except as stated otherwise)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	22	4,770	3,771
Other income	23	53	14
Total		**4,823**	**3,785**
Expenses			
Cost of materials consumed	24	2,812	2,443
Purchase of Traded goods	25	26	5
Changes in inventories of finished goods, traded goods and work-in-progress	26	169	(253)
Employee benefits expense	27	489	425
Finance costs	28	23	28
Depreciation and amortisation expense	29	479	477
Other expenses	30	531	620
Total		**4,529**	**3,745**
Profit before tax		**294**	**40**
Tax expense	31		
a) Current tax		208	47
b) Deferred tax		(129)	(49)
Total Tax expense		79	(2)
Profit for the year		**215**	**42**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements (gain)/loss on defined benefit plans		(3)	0
Income tax relating to items that will not be reclassified to profit or loss		1	-
Total other comprehensive income		(2)	0
Total comprehensive income for the year		**213**	**42**
Earnings per equity share (Face value of Rs. 10/- each)	32		
- Basic (in Rs.)		731.55	142.91
- Diluted (in Rs.)		731.55	142.91

See accompanying notes to the financial statements

As per report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No.: 110759

Place : Mumbai
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For and on behalf of the Board of Directors of
Resinova Chemie Limited
CIN:U24295GJ2009PLC058120

Sandeep P. Engineer
Chiarman & Managing Director
DIN : 00067112

Place : Ahmedabad
Date : May 18, 2021

RESINOVA CHEMIE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Million)

Sr No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A.	**Cash flow from Operating Activities**		
	Profit before tax	294	40
	Adjustments for:		
	Depreciation and amortisation expense	479	477
	Finance Costs	23	28
	Allowance for expected credit loss	26	11
	Loss on Sale of Property, Plant and Equipment (Net)	0	1
	Gain on Sale and purchase of Current Investments(net)	(23)	(6)
	Interest Income	(17)	(7)
	Unrealised foreign exchange (gain)/loss (Net)	(1)	18
	Operating profit before Working Capital Changes	**781**	**562**
	Changes in working capital:		
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	201	8
	(Increase)/Decrease in Inventories	208	(236)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	136	191
	Cash generated from operations	**1,326**	**525**
	Income taxes paid (net of refunds)	(92)	(20)
	Net Cash Flow from Operating Activities (A)	**1,234**	**505**
B.	**Cash flow from Investing Activities**		
	Proceeds from Sale of property, plant and equipment	1	2
	Payment for property, plant and equipment and intangible assets(including capital advances and capital creditors)	(94)	(164)
	Purchase of Long term investments	0	-
	Gain on Sale and purchase of Current Investments(net)	23	6
	Interest received	17	6
	(Increase)/Decrease in other balances with banks	(841)	(560)
	Net Cash Flow used in Investing Activities (B)	**(894)**	**(710)**
C.	**Cash Flow from Financing Activities**		
	Repayment of Long term Borrowings	(250)	(16)
	Finance Cost	(22)	(27)
	Payment of Lease Liabilities	(14)	(17)
	Net Cash flow used in Financing Activities (C)	**(286)**	**(60)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**54**	**(265)**
	Cash and cash equivalents at the beginning of the year (Note 10)	18	283
	Cash and Cash Equivalents at the end of the year (Note 10)	72	18
Note	The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.		

RESINOVA CHEMIE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Changes in liabilities arising from financing activities (Rs. In Million)

Particulars	Non-current borrowings*	Current borrowings	Total
Balance as at April 1, 2019	252	-	252
Cash flows	(16)	-	(16)
Foreign exchange adjustments	14	-	14
Balance as at March 31, 2020	**250**	-	**250**
Cash flows	(250)	-	(250)
Balance as at March 31, 2021	-	-	-

* Non- Current borrowings including current maturities classified in Other Financial liabilities.

See accompanying notes to the financial statements

As per report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No.: 110759

Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors of
Resinova Chemie Limited
CIN:U24295GJ2009PLC058120

Sandeep P. Engineer
Chiarman & Managing Director
DIN : 00067112

Place : Ahmedabad
Date : May 18, 2021

RESINOVA CHEMIE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity share capital (Note 13) (Rs. In Million)

Particulars	Amount
Balance at April 1, 2019	3
Add: movement during the year	-
Balance at March 31, 2020	3
Add: movement during the year	-
Balance at March 31, 2021	3

B Other Equity (Note 14) (Rs. In Million)

Particulars	Other Equity		Total Other Equity
	Securities Premium	Retained earnings	
Balance at April 1, 2019	3,048	329	3,377
Profit for the year	-	42	42
Other comprehensive income for the year, net of income tax	-	0	0
Total comprehensive income for the year	-	42	42
Balance at March 31, 2020	3,048	371	3,419
Profit for the year	-	215	215
Other comprehensive income for the year, net of income tax	-	(2)	(2)
Total comprehensive income for the year	-	213	213
Balance at March 31, 2021	3,048	584	3,632

See accompanying notes to the financial statements

As per report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No.: 110759

Place : Mumbai
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For and on behalf of the Board of Directors of
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Sandeep P. Engineer
Chiarman & Managing Director
DIN : 00067112

Place : Ahmedabad
Date : May 18, 2021

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. COMPANY OVERVIEW:-

Resinova Chemie Limited (Formerly known as Advanced Adhesives Limited) is incorporated in 2009 under the provision of Companies Act applicable in india. The company is mainly engaged in manufacturing of various types of Adhesives and Sealants. The Company is equipped with production facilities at Santej (Gujarat), Unnao and Rania (Uttar Pradesh) to manufactures a diversified range of adhesives, sealants, putties and construction aids. The company is a subsidiary of Astral Limited (Formerly Known as Astral Poly Technik Limited), a listed Company.

The financial statements were approved for issue by the board of directors on May 18, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES: -

a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and relevant amendment rules issued thereafter read with Section 133 of the Companies Act, 2013, as amended. All accounting policies are consistently applied except as given below:

These financial statements are prepared under the accrual basis and historical cost measurement, except for certain financial instruments (refer accounting policy on financial instruments), which are measured at fair values. The financial statements provide comparative information in respect of the previous period. The financial statements are presented in Indian National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest million, except where otherwise indicated. All amounts individually less than ₹ 0.5 million have been reported as "0".

Fair Value

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- In the principal market for the asset or liabilities or
- In the absence of a principal market in the most advantageous market for the asset and liabilities.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transaction that are within the scope of Ind AS 102 *Share-based Payment*, leasing transactions that are within the scope of Ind AS 17 *Leases*, and measurements that have some similarities to fair value but are not fair valued such as net realizable value in Ind AS 2 or value in use in Ind AS 36 *Impairment of assets*.

All assets and 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:

1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

b) Use of Estimates

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

c) Inventories

Inventories are stated at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing the inventories to their present location and condition. Raw materials, Stock in Trade, Stores, Spares and Packing materials are valued on weighted average costs. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

d) Cash and cash equivalents

Cash and Cash equivalents consists of cash in hand & at bank and all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase.

e) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, if any.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Trade receivables (Contract balances)

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Interest Income

Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f) Property, plant and equipment

Land is carried at historical cost. Property, Plant and Equipment are stated at actual cost less accumulated depreciation and impairment losses, if any. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any recognised impairment loss, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

g) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are amortized over their estimated useful life on a straight line basis over a period of 5 years except Assets like Goodwill arising out of Scheme of Amalgamation, which is amortized over 7 years since in the opinion of the management the benefits will be available for that period.

h) Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b. Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Note 38.

c. Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is reduced from the carrying amount of the asset.

j) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) 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 retranslated at the rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognised in the statement of profit and loss in the period in which they arise.

k) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plan:

The Company's contribution to Provident Fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and
2) Net interest expense or income

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the balance sheet date. The Company determines the liability for such accumulated leaves using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

Share based payment:
Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

l) Borrowing costs

Borrowing cost includes interest, amortisation 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 qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capitalization of borrowing cost is suspended and charged to statement of Profit and loss during the extended period when active development of the qualifying asset is interrupted.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

m) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

n) Taxation

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the 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 the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal 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 tax during the specified period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly to equity, as the case may be.

o) Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/ outflow of economic benefits/ loss are not probable.

p) Non-derivative Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Financial assets at amortised cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these 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.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities
Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in financial statements 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.

q) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts/options and interest rate swaps.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs.

r) Impairment

Financial assets (other than at fair value)
The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Property, plant and Equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) 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 cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

s) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or

4. 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.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. 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.

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

The Company has identified twelve months as its operating cycle.

t) Business Combination

The Company has opted to claim exemption under Ind AS 101 "First Time Adoption of Indian Accounting Standards" and decided not to apply Ind AS 103 "Business Combination" retrospectively for past Business Combinations. Further the Company for applicability of Scheme of amalgamation post application of Ind As, the existing practice to amortize goodwill over the useful life has been continued instead to test for impairment as required by Ind AS 101.

u) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Useful lives of property, plant and equipment and Intangible Assets

As described in Note 2(f), the Company reviews the estimated useful lives and residual values of property, plant and equipment and intangible asset at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment and intangible assets.

ii. Provisions and Contingent Liabilities

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3 PROPERTY, PLANT AND EQUIPMENT , INTANGIBLE ASSETS AND RIGHT OF USE ASSETS

(Rs. In Million)

Sr No	Assets	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION AND AMORTISATION				NET CARRYING AMOUNT	
		As at April 1, 2020	Reclassified on account of Ind AS 116	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the Year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. TANGIBLE ASSETS												
a	Land	239	-	6	-	245	-	-	-	-	245	239
		(280)	(- 53)	(12)	-	(239)	-	-	-	-	(239)	(280)
b	Buildings	371	-	1	-	372	43	14	-	57	315	328
		(323)	-	(48)	-	(371)	(30)	(13)	-	(43)	(328)	(293)
c	Plant and Equipments	981	-	52	2	1,031	186	65	1	250	781	795
		(897)	-	(85)	(1)	(981)	(124)	(62)	(0)	(186)	(795)	(773)
d	Furniture and Fixtures	99	-	1	-	100	25	9	-	34	66	74
		(75)	-	(27)	(3)	(99)	(17)	(9)	(1)	(25)	(74)	(58)
e	Vehicles	8	-	-	-	8	3	1	-	4	4	5
		(8)	-	-	-	(8)	(2)	(1)	-	(3)	(5)	(6)
f	Computers and Office	32	-	7	-	39	14	6	-	20	19	18
		(21)	-	(12)	(1)	(32)	(10)	(5)	(1)	(14)	(18)	(11)
	Total	**1,730**	**-**	**67**	**2**	**1,795**	**271**	**95**	**1**	**365**	**1,430**	**1,459**
		(1,604)	**(- 53)**	**(184)**	**(5)**	**(1,730)**	**(183)**	**(90)**	**(2)**	**(271)**	**(1,459)**	
B. INTANGIBLE ASSETS												
a	Goodwill	2,442	-	-	-	2,442	1,839	368	-	2,207	235	603
		(2,442)	-	-	-	(2,442)	(1,471)	(368)	-	(1,839)	(603)	(971)
b	Computer software	12	-	1	-	13	6	2	-	8	5	6
		(10)	-	(2)	-	(12)	(4)	(2)	-	(6)	(6)	(6)
	Total	**2,454**	**-**	**1**	**-**	**2,455**	**1,845**	**370**	**-**	**2,215**	**240**	**609**
		(2,452)	**-**	**(2)**	**-**	**(2,454)**	**(1,475)**	**(370)**	**-**	**(1,845)**	**(609)**	
C. RIGHT OF USE ASSETS												
a	Leasehold land	53	-	-	-	53	1	1	-	2	51	52
		-	(53)	-	-	(53)	-	(1)	-	(1)	(52)	-
b	Buildings	36	-	-	-	36	16	13	-	29	7	20
		-	-	(36)	-	(36)	-	(16)	-	(16)	(20)	-
	Total	**89**	**-**	**(36)**	**-**	**89**	**17**	**14**	**-**	**31**	**58**	**72**
		-	**(53)**	**(36)**	**-**	**(89)**	**-**	**(17)**	**-**	**(17)**	**(72)**	

S R B C & CO LLP CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Notes :

a Building on lease hold property is depreciated over the remaining lease hold period.

b Figures in the brackets are of Previous Year.

c Additions to property, plant and equipment during the year includes Rs.1 Million (As at March 31, 2020 : Rs. 2 Million) used for research and development.

PROPERTY, PLANT AND EQUIPMENT (RESEARCH AND DEVELOPMENT UNIT)

(Rs. In Million)

Sr No	Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION AND AMORTISATION				NET CARRYING AMOUNT	
		As at April 1, 2020	Additions	Disposals	As at March 31,2021	As at April 1, 2020	For the Year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
a	Buildings	19	-	-	19	2	1	-	3	16	17
		(19)	-	-	(19)	(1)	(1)	-	(2)	(17)	-
b	Plant and Equipments	9	1	-	10	2	1	-	3	7	7
		(7)	(2)	-	(9)	(1)	(1)	-	(2)	(7)	-
c	Furniture and Fixtures	4	-	-	4	-	1	-	1	3	4
		(4)	-	-	(4)	-	-	-	-	(4)	-
d	Computers and Office Equipmer	1	0	-	1	-	-	-	-	1	1
		(1)	(0)	-	(1)	-	-	-	-	(1)	-
	Total	33	1	-	34	4	3	-	7	27	29
		(31)	(2)	-	(33)	(2)	(2)	-	(4)	(29)	-

Figures in the brackets are of Previous Year.

4 INVESTMENTS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current Investments		
Unquoted		
Investment in Equity Instruments at cost		
2,500 (25 % holding) (as at March 31, 2020 : Nil) Shares of Rs. 10/- each subscribed in Astral Foundation , India.	0	-
Total	0	-

5 LOANS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
(Unsecured, considered good)		
Loans and Advances to Employees	0	0
Total	0	0
Current		
(Unsecured, considered good)		
Loans and Advances to Employees	2	1
Total	2	1

Note Refer note 37 for detailed disclosure on the fair values.

6 OTHER FINANCIAL ASSETS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
(Unsecured, considered good)		
Security Deposits	15	14
Total	15	14
Current		
(Unsecured, considered good)		
Security Deposits	1	1
Interest Accrued on loans and deposits	1	1
Other Receivable	1	1
Total	3	3

Note Refer note 37 for detailed disclosure on the fair values.

7 OTHER ASSETS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Prepaid Expenses	0	0
Capital Advances	10	8
Total	10	8
Current		
Prepaid Expenses	4	15
Balances with Government authorities	27	85
Advances to Suppliers	4	22
Total	35	122

8 INVENTORIES (at lower of cost and net realisable value)

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	283	322
Work-in-Progress	81	64
Finished Goods	285	477
Traded Goods	6	-
Packing Materials	81	72
Stores & Spares	9	18
Total	745	953

9 TRADE RECEIVABLES

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good	374	451
Unsecured, credit impaired	42	18
Less : Allowance for expected credit loss	(42)	(18)
Total	374	451

Note: Refer Note 37 for information about credit risk and market risk of Trade receivables.

Break-up for trade receivables:

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from other than related parties	374	451
Receivables from related parties	-	0
Total	374	451

Notes :

1. The company offers credit period up to 180 days.
2. Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.
3. In determining the allowances for credit impaired trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
4. **Movement in Expected Credit Loss Allowance**

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	18	8
Less : Utilisation during the year	2	1
Add : Provision during the year	26	11
Balance at the end of the year	42	18

10 CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on Hand	2	2
Balance With Banks in current accounts	70	16
Total	72	18

11 OTHER BALANCES WITH BANKS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
In Deposit Accounts	1,402	561
Total	1,402	561

12 CURRENT TAX ASSETS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes Receivables (Net of Provisions)	7	26
Total	7	26

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

13 EQUITY SHARE CAPITAL

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
5,750,000 (as at March 31, 2020 : 5,750,000) Equity Shares of Rs.10/- each	58	58
Issued, Subscribed & Fully Paid Share Capital		
293,895 (as at March 31, 2020 : 293,895) Equity Shares of Rs. 10/- each fully paid up	3	3
Total	3	3

a) **Rights, preferences and restrictions attached to shares :**

The company has only one class of equity shares having a par value of Rs. 10/- each. Each Share holder is eligible for one vote per share and are entitled to dividend as and when declared. All shares rank equally with regard to the Company's residual assets after distribution of all preferential amounts.

b) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period :**

Particulars	No. of Shares	Rs. In Million
Balance as at April 1, 2019	293,895	3
Add: Shares Issued	-	-
Balance as at March 31, 2020	293,895	3
Add: Shares Issued	-	-
Balance as at March 31, 2021	**293,895**	**3**

c) **Details of share held by the shareholder holding more than 5% shares :**

Name of Shareholders	As at March 31, 2021	As at March 31, 2020
Astral Limited (Formerly known as Astral Poly Technik Limited - Holding Company)		
No. of Shares	286,395	286,395
% of Shares Held	97.45	97.45

14 OTHER EQUITY

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Balance at the beginning of the year	3,048	3,048
Balance at the end of the year	3,048	3,048
Retained earnings		
Balance at the beginning of the year	371	329
Add: Profit for the Year	215	42
Add: Other comprehensive income	(2)	0
Balance at the end of the year	584	371
Total	3,632	3,419

Notes

a **Nature and purpose of Reserve**

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

15 BORROWINGS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured - at amortised cost		
Term Loans From Banks	-	44
Less: Current maturity of long term loans (Note 19)	-	16
	-	28
Unsecured - at amortised cost		
Buyers Credit	-	206
Less: Current maturity of long term buyers credit (Note 19)	-	206
	-	-
Total	-	28

Notes:

a) Refer Note 37 for information about liquidity risk.

b) Amount stated in Current maturity is disclosed under the head of "Other Financial Liabilities (Current)" (Note 19).

c) Term Loans are Secured by way of first charge, in respect of Fixed Assets, both present and future, and second charge on entire current assets of the Company both present and future.Rate of Interest for Rupee Term Loan ranges from 8 to 11% p.a..

1 Kotak Mahindar Bank Limited Term Loan of Rs.Nil (as at March 31, 2020 : Rs. 44 Million) repaid.

d) Buyers Credit - Rate of Interest for Buyer's Credit ranges from 0.40 to 3.00 % p.a..

1 Hongkong and Shanghai Banking Corporation Limited Buyers Credit of Rs. Nil (as at March 31, 2020: Rs. 206 Million) repaid.

16 PROVISIONS

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for Employee Benefits (Note 34)	14	15
Total	14	15
Current		
Provision for Employee Benefits (Note 34)	17	14
Total	17	14

17 DEFERRED TAX LIABILITIES (NET)

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred Tax Liabilities (Net)	9	50
Total	9	50

Deferred tax liabilities/(assets) in relation to :

(Rs. In Million)

Particulars	As at April 1, 2019	Recognised in profit and Loss	MAT Credit Utilisation	As at March 31, 2020
Property, plant and equipment	221	(62)	-	159
Unabsorbed Depreciation	(0)	0	-	-
Unabsorbed Scientific Research	(17)	17	-	-
Provision for doubtful trade receivables	(3)	(3)	-	(6)
Compensated absences	(14)	(1)	-	(15)
MAT credit Entitlement	(126)	-	38	(88)
Total	61	(49)	38	50

(Rs. In Million)

Particulars	As at April 1, 2020	Recognised in profit and Loss	MAT Credit Utilisation	As at March 31, 2021
Property, plant and equipment	159	(119)	-	40
Provision for doubtful trade receivables	(6)	(9)	-	(15)
Compensated absences	(15)	(1)	-	(16)
MAT credit Entitlement	(88)	-	88	-
Total	50	(129)	88	9

18 TRADE PAYABLES

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
a Total outstanding dues of micro enterprises and small enterprises	-	-
Total	-	-
b Total outstanding dues of creditors other than micro enterprises and small enterprises		
Operational Buyers Credit	-	72
Due to others	604	361
Total	604	433

Note:

a Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

b Refer Note 37 for information about credit risk, market risk and liquidity risk of Trade payables.

19 OTHER FINANCIAL LIABILITIES

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Current maturities of Long Term Borrowings (Note 15)	-	222
Interest accrued and due on borrowings	-	0
Interest accrued but not due on borrowings	-	0
Payable for capital goods	13	11
Others	65	47
Total	78	280

20 OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	43	29
Advance received from Customers	21	23
Total	64	52

21 CURRENT TAX LIABILITIES (NET)

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payable (net of advance payment of tax)	8	-
Total	8	-

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

22 REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contract with customers	4,747	3,750
Other operating revenues	23	21
Total	4,770	3,771

Note : The Company mainly deals into adhesives and sealeants and hence, no disaggregation of revenue is provided. Other information relating to contract balances, i.e. Trade Receivables, Advance from Customers etc. is stated in note 9 and 21.

23 OTHER INCOME

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income :		
From Banks	13	0
From Related Party (Note 36)	-	1
From Others	4	6
Profit on Sale of Current Investments (Net)	23	6
Foreign exchange gains (Net)	11	1
Miscellaneous Income	2	0
Total	53	14

24 COST OF MATERIALS CONSUMED

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	322	325
Add: Purchases	2,269	1,999
Less: Inventories at the end of the year	283	322
Cost of Material Consumed	2,308	2,002
Inventories at the beginning of the year	72	86
Add: Purchases	513	427
Less: Inventories at the end of the year	81	72
Cost of Packing Material Consumed	504	441
Total	2,812	2,443

25 PURCHASE OF TRADED GOODS

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Traded Goods	26	5
Total	26	5

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

26 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories At the end of the year		
Finished Goods	285	477
Work-in-progress	81	64
Traded Goods	6	-
	372	541
Inventories At the beginning of the year		
Finished Goods	477	217
Work-in-progress	64	71
Traded Goods	-	-
	541	288
Net (Increase) / Decrease	169	(253)

27 EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	447	385
Contribution to Provident and Other Funds (Note 34)	29	28
Staff welfare Expenses	13	12
Total	489	425

28 FINANCE COSTS

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses on		
Term loans and working capital	6	10
Others	0	0
Other Borrowing Costs	2	2
Exchange differences regarded as an adjustment to borrowing costs	15	16
Total	23	28

29 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (Note 3)	95	90
Amortisation on Intangible assets (Note 3)	370	370
Amortisation of Right of use assets (Note 3)	14	17
Total	479	477

30 OTHER EXPENSES

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and Spares	16	17
Power and Fuel	56	63
Rent (Note 36)	29	20
Repairs Expenses	15	17
Insurance Expenses	9	7
Rates and Taxes	0	0
Royalty Expense	24	24
Communication Expenses	11	19
Travelling Expenses	62	94
Factory and Other Expenses	11	7
Printing and Stationary Expenses	2	2
Freight and Forwarding	135	128
Commission	0	0
Sales Promotions	99	175
Directors Sitting Fees (Note 36)	0	0
Expenditure on Corporate Social Responsibility (Note 35 & 36)	4	4
Security Service Charges	13	10
Legal and Professional	11	12
Payments to Auditors *	1	1
Expected Credit Loss for Trade Receivables	26	11
Loss on Sale of Property, Plant and Equipment (Net)	0	1
Other Expenses	7	8
Total	531	620

* PAYMENT TO AUDITORS (EXCLUDING GST)

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
For statutory audit and certification	1	1
Total	1	1

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

31 TAX EXPENSES

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
In respect of the current year	214	47
In respect of earlier years	(6)	0
	208	47
Deferred tax		
In respect of the current year	(129)	(49)
	(129)	(49)

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	294	40
Income tax expense @34.944% (FY 2019-20 : 34.944%)	103	14
Differences due to :		
Impact of Change in Statutory Tax Rate on Deferred Tax	(2)	(14)
Effect of allowances	(16)	(2)
Total	85	(2)
Adjustments in respect of current income tax of previous year	(6)	0
Tax expense as per Statement of Profit and Loss	79	(2)

The Company's weighted average tax rates for the year ended March 31, 2021 and March 31, 2020 were 27.55% and 30.00%, respectively.

32. EARNINGS PER SHARE:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the Year attributable to the owners of the Company **(Rs. In Million)**	215	42
Weighted average number of equity shares outstanding	293,895	293,895
Nominal Value per shares **(In Rs.)**	10	10
Basic & Diluted Earnings Per Share **(In Rs.)**	731.55	142.91

33. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Million)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities			
1	Disputed Central Excise/Sales Tax/PF and other demands*	7	7
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	59	20
2	Letters of Credits for Purchases	185	85
3	Commitment on uncalled liability of shares subscription**	-	0

* Future cash outflows in respect of the above matters are determined only on receipt of judgments / decisions pending at various forums / authorities.

** The Company is subscriber to Memorandum of Association of newly incorporated associate company, namely, 'Astral Foundation'.

34. EMPLOYEE BENEFITS:

Post-employment Benefit

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note No. 27, Rs. 20 Million (Previous Year: Rs.18 Million).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to insurance service providers who invests the funds as per Insurance Regulatory and Development Authorities' guidelines. The details of these defined benefit plan recognised in the financial statements are as under:

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The defined benefit plans typically expose to the Company to various risk such as;

Interest rate risk: A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

a) Movement in present value of defined benefit obligation are as follows :

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Obligations at the beginning of the year	29	25
Current service cost	5	5
Interest cost	2	2
Actuarial (gain) / loss – due to change in financial assumptions	0	(0)
Actuarial (gain) / loss – due to change in demographic assumptions	-	(1)
Actuarial (gain) / loss- due to experience adjustments	3	1
Benefits paid	(3)	(3)
Present value of benefit obligation at the end of the year	**36**	**29**

b) Movement in the fair value of plan assets are as follows :

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Plan assets at the beginning of the year, at fair value	5	3
Interest Income	0	0
Return on plant assets excluding interest income	0	(0)
Contributions from the employer	11	5
Benefits paid	(3)	(3)
Fair value of plan assets at the end of the year	**13**	**5**

c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows :

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the end of the year	36	29
Fair value of plan assets at the end of the year	13	5
Net liability arising from defined benefit obligation	**23**	**24**

d) Amount recognized in the Statement of Profit and Loss in respect of the defined benefits plans are as follows :

(Rs. In Million)

Particulars	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	5	5
Net Interest expense	2	2
Components of defined benefit costs recognised in the Statement of Profit and Loss	7	**7**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	3	(0)
Return on plant assets, excluding interest income	0	0
Components of defined benefit costs recognised in Other Comprehensive Income	3	**0**
Total	10	**7**

e) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Service providers, who invests the funds as per Insurance Regulatory and Development Authority's guidelines.

f) The defined benefit obligations shall mature after year ended March 31, 2021 as follows:

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	2	2
2nd Following Year	1	1
3rd Following Year	2	1
4th Following Year	2	2
5th Following Year	1	1
Sum of Years 6 to 10	13	9
Thereafter	76	62

g) 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 respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Delta effect of +1% change in the rate of Discounting	(4)	(3)
Delta effect of -1% change in the rate of Discounting	5	4
Delta effect of +1% change in the rate of salary Increase	5	4
Delta effect of -1% change in the rate of salary increase	(4)	(3)
Delta effect of +1% change in the rate of employee turnover	0	0
Delta effect of -1% change in the rate of employee turnover	(0)	(0)

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of Rs. 15 Million (as at March 31, 2020: Rs. 13 Million) to the defined benefit plans during the next financial year.

h) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	Gratuity Year ended March 31, 2021	Gratuity Year ended March 31, 2020
Discount Rate	6.87%	6.89%
Expected return on plan assets	6.87%	6.89%
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee turnover	For service 4 years and below 10.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 10.00% p.a. For service 5 years and above 2.00% p.a.
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

35. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year as per the provision of section 135 of the Companies Act, 2013 amounts to Rs. 4 Million (Previous year : Rs. 4 Million). The revenue expenditure charged to the Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is Rs.4 Million (Previous year : Rs. 4 Million) and has been paid.

36. RELATED PARTY DISCLOSURES:

1. Name of the related parties and their relationships :

Sr. No.	Description of Relationship	Name of Related Parties
a.	Holding Company	Astral Limited (Formerly Known as Astral Poly Technik Limited)
b.	Entities with joint control /Fellow Subsidiaries	Astral Biochem Private Limited Seal IT Services Limited - UK Seal IT Services Inc, USA
c.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Kairav Chemicals Limited Kairamya Journeys LLP Astral Charitable Trust Astral Foundation
d.	Key Managerial Personnel / Directors	Mr. Sandeep Engineer (Managing Director) Mr. Vijay Parikh (Non-Executive Director upto May 11, 2020) Mr. Rajesh Dwivedi (Whole Time Director) Mr. Kairav Engineer (Director) Mr. Saumya Engineer (Director) Mrs. Monica Kanuga (Director upto August 25, 2020) Mrs. Kaushal Nakrani (Independent Director - w.e.f. August 25, 2020) Mr. Pradeep Desai (Independent Director upto February 11, 2021) Mr. Narsinh Balgi (Independent Director upto February 11, 2021)

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2. Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2021:

(Rs. In million)

Particulars	Holding Company		Entities with joint control /Fellow Subsidiaries		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Total	
	2020-21	2019-10	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-10
Transaction during the year										
Purchase of Goods/Services	40	42	-	18	1	4	-	-	**41**	**64**
Sale of Goods	517	536	1	0	-	-	-	-	**518**	**536**
Interest Paid on Security Deposit given	-	-	-	-	-	0	-	-	**-**	**0**
Remuneration (Note a)	-	-	-	-	-	-	6	4	**6**	**4**
Investment	-	-	-	-	0	-	-	-	**0**	**-**
Loan Given	-	85	-	-	-	-	-	-	**-**	**85**
Loan Received	-	85	-	-	-	-	-	-	**-**	**85**
Interest Received	-	1	-	-	-	-	-	-	**-**	**1**
Rent Paid	1	1	-	-	19	16	2	2	**22**	**19**
Professional Fees Paid	-	-	-	-	-	-	0	0	**0**	**0**
Sitting Fees Paid	-	-	-	-	-	-	0	0	**0**	**0**
Amount paid for reimbursement of expense	4	1	-	-	-	-	-	-	**4**	**1**
Expenditure on Corporate Social Responsibility	-	-	-	-	3	-	-	-	**3**	**-**
Balance at the end of year										
Receivables	-	0	-	0	-	-	-	-	**-**	**0**
Payables	-	-	-	-	1	0	1	0	**2**	**0**

S R B C & CO LLP CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Notes:

i. Compensation of key management personnel:

The remuneration of key management personnel during the year was as follows:

(Rs. In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short term Benefits	6	4
Sitting Fees	0	0

The remuneration of key management personnel is determined by the remuneration committee. The same is including employer contribution to provident fund and exclusive of provision for liability in respect of leave and gratuity, since this is based on actuarial valuation done on overall basis for all employees.

ii. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

iii. The amounts outstanding are unsecured and will be settled in cash. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of amounts owned by related parties.

37 Financial instruments

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 19 off set by cash and bank balances) and total equity of the Company.

The company's risk management committee reviews the risk capital structure of the company. As part of this review the company considers the cost of capital and the risk associated with each class of capital.

Gearing ratio

(Rs. in Million)

Particulars	As at	
	March 31, 2021	March 31, 2020
Debt (note i)	-	250
Less : Cash and cash equivalents	72	18
Net debt	-	**232**
Equity share capital	3	3
Other Equity	3,632	3,419
Total equity	**3,635**	**3,422**
Net debt to equity ratio	-	**6.78%**

i Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 15 and 19.

2 Category-wise classification of financial instruments

(Rs. in Million)

Particulars	As at	
	March 31, 2021	March 31, 2020
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents and other bank balances (Note 10 & 11)	1,474	579
b Financial assets (Note 5,6 & 9)	394	469
Total	**1,868**	**1,048**
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 15 and 19)	-	250
b Financial liabilities (Note 18 ,19 & 38)	690	512
Total	**690**	**762**

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

3 Financial risk management objectives

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

A MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- interest rate risk

i Currency risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in Millions)

Particulars	As at	
	March 31, 2021	March 31, 2020
Liabilities (Foreign currency)		
In US Dollars (USD)	2	1
In Euro (EUR)	-	2

(Rs. in Millions)

Particulars	As at	
	March 31, 2021	March 31, 2020
Liabilities (INR)		
In US Dollars (USD)	113	109
In Euro (EUR)	-	206

Derivative instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD and Euro.

The following table details, Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit and equity where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit and equity, and the balances below would be negative.

(Rs. in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	(6)	(16)
Decrease in exchange rate by 5%	6	16

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and five years. The above sensitivity does not include the impact of foreign currency forward contracts and option contracts which largely mitigate the risk.

ii **Interest rate risk**

Interest rate risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligation with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Million)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
As at March 31, 2021	100 bps	-
As at March 31, 2020	100 bps	2

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B MANAGEMENT OF CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 9 - Trade receivable).

C MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(Rs. in Million)

Particulars	Carrying amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2021					
Non-derivative financial liabilities					
Borrowings	-	-	-	-	-
Lease Liabilities (Note 38)	8	7	1	-	8
Financial Liabilities	682	682	-	-	682
Total	**690**	**689**	**1**	**-**	**690**
As at March 31, 2020					
Non-derivative financial liabilities					
Borrowings	250	222	28	-	250
Lease Liabilities (Note 38)	21	13	8		21
Financial Liabilities	491	491	-	-	491
Total	**762**	**726**	**36**	**-**	**762**

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

38. LEASE

Company as a lessee

The Company's lease asset classes primarily consist of leases for Tangible assets. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has right to direct the use of the asset.

The carrying amounts of right-of-use assets, lease liabilities along with their movement during the period is as below:

(Rs. in Million)

Particulars	Right of Use of Assets Tangible Assets		Lease Liabilities	
	2020-21	2019-20	2020-21	2019-20
Balance at the beginning of the year	72	-	21	-
Add : Addition due to restatement	-	16	-	16
Add : Reclassified from Property, plant and equipment	-	53	-	20
Add : Adjustment during the year	-	20	-	-
Less : Depreciation/amortisation of expenses	14	17	-	-
Less : Adjustment due to COVID 19	0	-	0	-
Less : Deductions				
Add : Interest Expenses	-	-	1	2
Less : Payments	-	-	14	17
Balance at the end of the year	**58**	**72**	**8**	**21**
Current			**7**	**13**
Non-Current			**1**	**8**

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

39. Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, has accorded approval for In-house research and development centre of the company situated at First Floor, Block no. 2221/1, Ms. Shah Alloys , Santej Nasmed Road , Gandhinagar , which has been put to use in April 2018. Following is the break up of revenue and capital expenditure incurred on approved R&D unit as certified by the management for the year ending as on March 31, 2021. Expenses disclosed under the respective notes to accounts are inclusive of expenditure for research and development.

(Rs. In Million)

Sr No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Revenue Expenditure**		
	Salaries, Wages and Bonus	16	13
	Other Expense	4	2
	Total (A)	**20**	**15**
B	**Capital Expenditure**		
	Plant & Machinery	1	2
	Computer	0	0
	Total (B)	**1**	**2**
	Total Expenditure on research & development (A+B)	21	17

40. SEGMENT REPORTING:

The company has presented segment information in the Consolidated Financial Statement of the Holding Company and accordingly, in terms of paragraph 4 of Ind AS 108 – Operating Segments, no disclosure related to segments are presented in this financial statement.

41. ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC COVID-19

The Company continues to adopt measures to curb the impact of COVID-19 pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Company has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Company will continue to monitor any material changes to future economic conditions.

42. During the year, the Company has invested Rs. 0.03 Million in Astral Foundation whereby it acquired 2,500 equity shares of Rs.10/- each (25% of Equity ownership). Astral Foundation, Section 8 Company of the Companies Act, 2013, execute the CSR activities. The objective of the Investments is not to obtain economic benefits and hence, in line with Ind As 112, the Company doesn't have significant influence over the entity. Accordingly, the same doesn't qualify as Associate and hence, Consolidated Financial Statement are not applicable to the Company.

RESINOVA CHEMIE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

As per report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No.: 110759

Place: Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of Resinova Chemie Limited
CIN: U24295GJ2009PLC058120

Sandeep P. Engineer
Chairman & Managing Director
DIN: 00067112

Place: Ahmedabad
Date: May 18, 2021

Astral Biochem Private Limited

Financial Statements

FY 2020-21

G. K. Choksi & Co.
Chartered Accountants
'Madhuban', Nr.Madalpur Underbridge, Ellisbridge, Ahmedabad – 380 006.
Dial: 91 - 79 - 68198900, 9925174555-56 : E-mail :info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
ASTRAL BIOCHEM PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of **ASTRAL BIOCHEM PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Ind AS Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 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 of the Company as at March 31, 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were

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operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

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the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, as in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.

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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

G. K. Choksi & Co.
Chartered Accountants
'Madhuban', Nr.Madalpur Underbridge, Ellisbridge, Ahmedabad – 380 006.
Dial: 91 - 79 - 68198900, 9925174555-56 : E-mail :info@gkcco.com

(f) The Ministry of Corporate Affairs vide its notification bearing no. G.S.R. 583(6) dated 13th June 2017, amended the provision of section 143(3) of the Companies Act, 2013. In accordance with the same reporting requirement related to adequacy and operating effectiveness of the internal financial controls over financial reporting is not applicable to the Company.

(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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations on its financial position in its standalone Ind AS financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

VARTIK ROHIT CHOKSI
Digitally signed by VARTIK ROHIT CHOKSI
Date: 2021.04.22 19:18:39 +05'30'

VARTIK R. CHOKSI
Partner
Mem. No. 116743
UDIN: 21116743AAAAHR4666

Place : Ahmedabad
Date : 22nd April, 2021

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ASTRAL BIOCHEM PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31 , 2021

(₹ In lacs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Deferred Tax Assets (Net)	3	5.36	5.53
Total non-current assets		**5.36**	**5.53**
Current Assets			
Financial Assets			
i. Cash and Cash Equivalents	4	2.57	2.95
Other Current Assets	5	0.84	0.80
Total Current Assets		**3.41**	**3.75**
Total Assets		**8.77**	**9.28**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	5.00	5.00
Other Equity	7	(103.16)	(103.42)
Total Equity		**(98.16)**	**(98.42)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
i. Borrowings	8	106.60	106.60
ii.Trade Payables	9	0.20	1.10
Current tax Liabilities	10	0.13	-
Total Current Liabilities		**106.93**	**107.70**
Total Liabilities		106.93	107.70
Total Equity & Liabilties		**8.77**	**9.28**

See accompanying notes to the financial statements

As per our report of even date

For G. K. Choksi & Co.
Chartered Accountants
ICAI Firm Registration No.: 0101895W

VARTIK ROHIT CHOKSI Digitally signed by VARTIK ROHIT CHOKSI Date: 2021.04.22 19:21:28 +05'30'

CA Vartik R. Choksi
Partner
Membership No.: 116743

Place : Ahmedabad
Date : April 22, 2021

For and on behalf of the Board of Directors of
Astral Biochem Private Limited
CIN:U01407GJ2008PTC054506

Sandeep Pravinbhai Engineer

(Sandeep P. Engineer)
Chairman
DIN : 00067112

Place : Ahmedabad
Date : April 22, 2021

ASTRAL BIOCHEM PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lacs)

Particulars	Notes	Year ended March 31 , 2021	Year ended March 31 ,2020
Income			
Other Income	11	0.91	0.44
Total Income		**0.91**	**0.44**
Expenses			
Other Expenses	12	0.22	0.73
Total Expenses		**0.22**	**0.73**
Profit/(Loss) Before Tax		0.69	(0.29)
Tax Expense			
Current Tax			-
- In respect of the current year		0.13	-
- In respect of the Prior years		0.13	-
Defererd Tax		0.17	1.39
		0.43	1.39
Profit/(Loss) For the Year		**0.26**	**(1.68)**
Other comprehensive income		-	-
Total comprehensive income for the year		**0.26**	**(1.68)**
Earnings Per Share: Face Value of ₹ 10/- each	13		
Basic		0.52	(3.36)
Diluted		0.52	(3.36)

See accompanying notes to the financial statements

As per our report of even date

For G. K. Choksi & Co.
Chartered Accountants
ICAI Firm Registration No.: 0101895W

VARTIK ROHIT CHOKSI Digitally signed by VARTIK ROHIT CHOKSI Date: 2021.04.22 19:26:16 +05'30'

CA Vartik R. Choksi
Partner
Membership No.: 116743
Place : Ahmedabad
Date : April 22, 2021

For and on behalf of the Board of Directors of
Astral Biochem Private Limited
CIN:U01407GJ2008PTC054506

Sandeep Pravinbhai Engineer

(Sandeep P. Engineer)
Chairman
DIN : 00067112
Place : Ahmedabad
Date : April 22, 2021

ASTRAL BIO CHEM PRIVATE LIMITED

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

A Equity share capital (Note 6)

(₹ in lacs)

Particulars	Amount
Balance at April 1, 2019	5.00
Add: movement during the year	-
Balance at March 31, 2020	**5.00**
Add: movement during the year	-
Balance at March 31, 2021	**5.00**

B Other Equity (Note 7)

(₹ in lacs)

Particulars	Other Equity		Total Other Equity
	Capital Reserve	Retained earnings	
Balance at April 1, 2019	43.39	(145.13)	(101.74)
Addition/Deletion during the year	-	-	-
Profit / (Loss) for the year	-	(1.68)	(1.68)
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	**-**	**(1.68)**	**(1.68)**
Balance at March 31, 2020	**43.39**	**(146.81)**	**(103.42)**
Profit for the year	-	0.26	0.26
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	**-**	**0.26**	**0.26**
Balance at March 31, 2021	**43.39**	**(146.55)**	**(103.16)**

See accompanying notes to the financial statements

As per our report of even date
For G. K. Choksi & Co.
Chartered Accountants
ICAI Firm Registration No.: 0101895W

VARTIK ROHIT CHOKSI Digitally signed by VARTIK ROHIT CHOKSI Date: 2021.04.22 19:26:57 +05'30'

CA Vartik R. Choksi
Partner
Membership No.: 116743

Place : Ahmedabad
Date : April 22, 2021

For and on behalf of the Board of Directors of
Astral Biochem Private Limited
CIN:U01407GJ2008PTC054506

Sandeep Pravinbhai Engineer

(Sandeep P. Engineer)
Chairman
DIN : 00067112

Place : Ahmedabad
Date : April 22, 2021

ASTRAL BIOCHEM PRIVATE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31,2021

(₹ In Lacs)

Sr No.	Particulars	Year ended March 31,2021	Year ended March 31,2020
A.	**Cash flow from Operating Activities**		
	Profit / (Loss) Before Tax	**0.69**	**(0.29)**
	Changes in Working Capital:		
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(0.90)	-
	(Increase)/Decrease in Trade receivables, financial assets and other assets	(0.04)	0.46
	Cash generated from operations	**(0.94)**	**0.46**
	Income taxes paid	(0.13)	6.21
	Net Cash generated from Operating Activities (A)	**(0.38)**	**6.38**
B.	**Cash flow from Investing Activities**		
	Paid towards excess amount received	-	(6.21)
	Net Cash Flow used in Investing Activities (B)	-	**(6.21)**
C.	**Cash Flow from Financing Activities**		
	Net Cash flow from Financing Activities (C)	-	-
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	**(0.38)**	**0.18**
	Cash and cash equivalents at the beginning of the year (Note 5)	2.95	2.77
	Cash and Cash Equivalents at the end of the year (Note 5)	2.57	2.95

Note The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.

Changes in liabilities arising from financing activities (₹ In Lacs)

Particulars	Non-current borrowings	Current borrowings	Total
Balance as at March 31,2020	-	106.60	106.60
Cash flows	-	-	-
Balance as at March 31,2021	-	**106.60**	**106.60**

See accompanying notes to the financial statements

As per our report of even date
For G. K. Choksi & Co.
Chartered Accountants
ICAI Firm Registration No.: 0101895W

VARTIK ROHIT CHOKSI Digitally signed by VARTIK ROHIT CHOKSI Date: 2021.04.22 19:27:26 +05'30'

CA Vartik R. Choksi
Partner
Membership No.: 116743
Place : Ahmedabad
Date : April 22, 2021

For and on behalf of the Board of Directors of
Astral Biochem Private Limited
CIN:U01407GJ2008PTC054506

Sandeep Pravinbhai Engineer Digitally signed by Sandeep Pravinbhai Engineer Date: 2021.04.22 16:39:22 +05'30'

(Sandeep P. Engineer)
Chairman
DIN : 00067112
Place : Ahmedabad
Date : April 22, 2021

ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW:

The Company is a private limited Company incorporated in India and is wholly owned subsidiary of Astral Poly Technik Limited, which is a listed Company.

The financial statements were approved for issue by the board of directors on April 22, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, as amended.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liabilities or
- In the absence of a principal market in the most advantageous market for the asset and liabilities.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transaction that are within the scope of Ind AS 102 *Share-based Payment*, leasing transactions that are within the scope of Ind AS 116 *Leases*, and measurements that have some similarities to fair value but are not fair valued such as net realizable value in Ind AS 2 or value in use in Ind AS 36 *Impairment of assets*.

All assets and 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:

1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c) Use of Estimates

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

d) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

e) Earnings per share

A basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

f) Taxation

Tax expense represents the sum of the current tax and deferred tax.

__Current Tax__

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

__Deferred tax__

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the 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 the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year
Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

g) Provisions, Contingent Liabilities, Contingent Assets and Commitments
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognized in the financial statements when an inflow/ outflow of economic benefits/ loss are probable.

h) Non-derivative Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Financial assets at amortised cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these 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.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities
Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in financial statements 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.

i) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:
1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. 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.

A liability is current when:
1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. 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.

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

ASTRAL BIOCHEM PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021

3 DEFERRED TAX ASSETS (NET)

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Opening Brought Forward Loss	5.53	6.92
Charged to Profit and loss Account	(0.17)	(1.39)
Total	**5.36**	**5.53**

4 CASH AND CASH EQUIVALENTS

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.13	0.13
Balances with banks	2.44	2.82
Total	**2.57**	**2.95**

5 OTHER CURRENT ASSETS

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Government Authorities	0.84	0.80
Total	**0.84**	**0.80**

6 EQUITY SHARE CAPITAL

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
Equity Share Capital		
50,000 Equity Shares (P.Y. : 50,000 Equity Shares) of ₹ 10/- each	5.00	5.00
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital		
50,000 Equity Shares (P.Y. : 50,000 Equity Shares) of ₹ 10/- each fully paid up	5.00	5.00
Total	**5.00**	**5.00**

a) The company has only one class of equity shares having a par value of ₹ 10/- each. Each Share holder is eligible for one vote per share.

b) Reconciliation of number of shares outstanding :

Particulars	As at March 31, 2021	As at March 31, 2020
As at beginning of the year/period	50,000	50,000
Add: Issued During the year/period	-	-
As at end of the year/period	**50,000**	**50,000**

c) The details of shareholder holding more than 5% shares as at March 31, 2021 and as at March 31, 2020 is set out below.

Name of Shareholders	As at March 31, 2021	As at March 31, 2020
Astral Poly Technik Limited		
No. of Shares	50,000	50,000
- % of Shares Held	100%	100%
Amount (in lacs)	5.00	5.00

d) 50,000 (as at March 31, 2020 : 50,000) equity shares of ₹ 10/- fully paid up are held by Parent Company - Astral Poly Technik Limited jointly with nominees.

7 OTHER EQUITY

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve		
Balance at the beginning of the year	43.39	43.39
Add: During the Year	-	-
Balance at the end of the year	**43.39**	**43.39**
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(146.81)	(145.13)
Add: Profit/(Loss) for the Year	0.26	(1.68)
Balance at the end of the year	**(146.55)**	**(146.81)**
Total	**(103.16)**	**(103.42)**

8 BORROWINGS

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured		
Loans and Advances from Related Parties* (Note 14)		
Astral Poly Technik Limited - The Holding Company	106.60	106.60
Total	**106.60**	**106.60**

* The loan is repayable on demand.

9 TRADE PAYABLES

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other than Acceptances *		
Trade Payables for Service Received	0.20	1.10
Total	**0.20**	**1.10**

* There are no dues to Micro and Small Enterprises as on March 31, 2021 (as on March 31, 2020 : Rs. Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

10 CURRENT TAX LIABILITIES

(₹ In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payable	0.13	-
Total	**0.13**	**-**

11 OTHER INCOME

(₹ In lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance written back	0.91	
Interest Income from others		0.44
Total	**0.91**	**0.44**

12 OTHER EXPENSES

(₹ In lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to Auditors*	0.20	0.20
Legal Expenses	0.02	0.03
Bank Charges	0.00	-
Deposits Written Off	-	0.50
Total	**0.22**	**0.73**

* **Payment to Auditors:**

(₹ In lacs)

Particulars	Year ended March 31,2021	Year ended March 31,2020
For Statutory Audit	0.20	0.20
For Other Services	-	-
	0.20	**0.20**

ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. EARNINGS PER SHARE:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year attributable to the owners of the Company (₹ In lacs)	0.26	(1.68)
Weighted average number of equity shares outstanding	50,000	50,000
Basic & Diluted Earnings Per Share (In Rs.) (Face Value of ₹ 10/- each)	0.52	(3.36)

14. RELATED PARTY TRANSACTIONS:

1. Name of Parties and relationships

Sr. No.	Description of Relationship	Names of Related Parties
a.	Holding Company/Parent Company	Astral Poly Technik Limited
b.	Entities with joint control /Fellow Subsidiaries	Resinova Chemie Limited Seal It Services Ltd - UK Seat It Services Ltd – USA Astral Foundation
c.	Key Management Personnel	Mr. Sandeep P. Engineer Mr. Kairav S. Engineer Mr. Saumya S. Engineer
d.	Relatives of Key Management Personnel	Mrs. Jagruti S. Engineer Mrs. Hansa Engineer

2. Details of related party transactions during the year:

(₹ In Lacs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1.	**Reimbursement of Expense**		
	Astral Poly Technik Limited	0.02	0.02
2.	**Paid for Reimbursement of Expense**		
	Astral Poly Technik Limited	0.02	0.02
3.	**Paid towards excess amount received**		
	Resinova Chemie Limited	-	6.21

3. Details of related party transactions outstanding balances:

(₹ In Lacs)

	Particulars	As at March 31, 2021	As at March 31, 2020
1.	**Unsecured Loans**		
	Astral Poly Technik Limited	106.60	106.60

15 Financial instruments

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 8 off set by cash and bank balances) and total equity of the Company.

The company's risk management committee reviews the risk capital structure of the company on semi annual basis. As part of this review the company considers the cost of capital and the risk associated with each class of capital.

Gearing ratio

(₹ In lacs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Debt (note i)	106.60	106.60
Less : Cash and cash equivalents	2.57	2.95
Net debt	**104.03**	**103.65**
Equity share capital	5.00	5.00
Other Equity	(103.16)	(103.42)
Total equity	**(98.16)**	**(98.42)**
Net debt to equity ratio	**(1.06)**	**(1.05)**

i Debt is defined as short-term borrowings, as described in notes 8. Total debt is due to the holding company i.e. Astral Poly technik Limited.

2 Category-wise classification of financial instruments

(₹ In lacs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents (Note 4)	2.57	2.95
Total	**2.57**	**2.95**
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 8)	106.60	106.60
b Financial liabilities (Note 9)	0.20	1.10
Total	**106.80**	**107.70**

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

3 Financial risk management objectives

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of cash and cash equivalents, and other financial assets.

The Company's business activities are exposed to liquidity risk.

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ In lacs)

Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2021				
Non-derivative financial liabilities				
Borrowings	106.60	106.60	-	106.60
Financial Liabilities	0.20	0.20	-	0.20
Total	**106.80**	**106.80**	-	**106.80**
As at March 31, 2020				
Non-derivative financial liabilities				
Borrowings	106.60	106.60	-	106.60
Financial Liabilities	1.10	1.10	-	1.10
Total	**107.70**	**107.70**	-	**107.70**

ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. The outbreak of Coronavirus (COVID – 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial results.

17. Company incurred net profit of ₹ 0.26 Lacs during the year ended, as of balance sheet date, the company's current liabilities have exceeded the total assets of the company by ₹ 98.16 Lacs. The Management will infuse additional capital and / or make necessary financing arrangement as and when required, to meet the long term / short term capital requirement of the company, further the management of the company is in process of commencement of new business activities in the company, having considered this, the Company has prepared its financial statement for current financial year on "Going Concern Assumption".

18. The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

As Per our report of even date

For G. K. Choksi & Co.	**For and on behalf of Board of Directors of**
Chartered Accountants	**Astral Biochem Private Limited**
ICAI Firm Registration No.: 0101895W	CIN:U01407GJ2008PTC054506
VARTIK ROHIT CHOKSI Digitally signed by VARTIK ROHIT CHOKSI Date: 2021.04.22 19:28:14 +05'30'	Sandeep Pravinbhai Engineer
CA Vartik R. Choksi	**(Sandeep P. Engineer)**
Partner	Chairman
Membership No.:116743	DIN: 00067112
Place: Ahmedabad	Place: Ahmedabad
Date: April 22, 2021	Date: April 22, 2021

Seal IT Services Limited

Financial Statements

FY 2020-21

COMPANY REGISTRATION NUMBER: 04487206

SEAL IT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

Seal It Services Limited

Financial statements

Year ended 31 March 2021

Contents **Page**

Seal It Services Limited

Officers and professional advisers

Company registration number	04487206
The board of directors	Mr G Helm Mr D Moore Mr S Engineer Mrs J Engineer Mr D Morgan
Registered office	Unit G16 Lowfields Business Park Lacey Way, Elland West Yorkshire HX5 9DN
Auditor	BDO Northern Ireland Chartered Accountant & Statutory Auditor Lindsay House 10 Callender Street Belfast BT1 5BN
Bankers	HSBC 4th Floor, City Point 29 King Street Leeds LS1 2HL
Solicitors	Ramsdens Solicitors LLP 1 Hungerford Road Huddersfield HD3 3AL

Seal It Services Limited

Strategic report

Year ended 31 March 2021

Principal activity and review of the business
The principal activity of the Group during the period was the manufacture and supply of building products and building chemicals.

The results of the Group for the year, as set out on pages 11 and 12 show a profit before taxation of £2,128,620 (2020: £1,180,238). The equity attributable to owners of the parent company totalled £5,899,600 (2020: £4,290,914).

Despite the effects of Covid-19 the Group has enjoyed significant growth during the year to March 2021. The Group is well placed within the Industry to continue this trend although uncertainty remains over the general state of the UK and World Economy once the Pandemic curtails. There remains significant demand for the group's products and with improved productivity brought about by significant investment in Plant and Machinery and with the introduction of new Products to the range this demand will service the turnover at a reduced cost.

Cost management remains a key focus of the directors, along with stringent cash management and the management of credit risk.

Key performance indicators
The directors prepare and monitor key performance indicators on a monthly basis. The key metrics that are produced include:

	2021	2020
Turnover	**£26,523,175**	£22,814,719
Trade Receivable Days	**80**	69

The period under review has seen improvements across most areas of the business, and the focus of the board remains on setting challenging targets to measure performance.

Risk management
The board constantly monitors and reacts to the risks considered to be important to the future of the business. The Group purchases raw materials in foreign currency with any fluctuations potentially adversely affecting the margins of the business if not managed properly. To mitigate this risk, the Group, from time to time, enter into forward contracts for the purchase of foreign currency to match projected future liabilities. This has managed to protect margins in the year under review. The relationship of sterling to the foreign currencies where the Group has exposure, is monitored daily.

Health and safety is paramount to the business especially in a manufacturing environment. As part of the preparations for ISO45001 the directors have overseen a complete review of the health and safety within the group including the introduction of a health and safety committee with participation from all levels of the organisation along with a review and update of all risk assessments. As a consequence of these preparations the group were successfully certified and achieved the prestigious ISO45001 (Health and Safety) accreditation in April 2020." The UK Operations of the Group already holds ISO9001 (Customer Service and Quality Control) and ISO 14001 (Environmental) and are checked twice a Year by the Awarding Body. There are no outstanding non- conformances or observations. The UK operation is proud to now hold the three major standards for the Industry.

The Group monitor the supply chain and the risk that this could pose to the future of the business. The directors are confident that there is no one single supply partner that could materially affect the results of the business going forward and are moving to a model to reduce the reliance on outside suppliers by making the operation of the Group more vertical.

The economic environment in which the Group operate is uncertain due to the effects of Covid-19 and the future impact of Brexit. However, the Directors have considered and proactively implemented models, risk assessments and plans to successfully steer the Group through these events and challenges that may occur and minimise any adverse impacts.

Obligations under GDPR and the increasing pace and complexity of cyber security risks are addressed by in house experienced information technology specialists who are constantly monitoring and reviewing the network security and firewalls to ensure that no unauthorised access is permitted. The Group has a robust, live and fully tested business continuity plan to deal with disaster recovery.

Development and performance of the business
The directors are satisfied with the performance of the business in the period under review. The year has been one of strong revenue growth, and the directors have invested heavily both in fixed assets and personnel, to ensure that the business is well structured to deal with the continuing growth.

Principal risk and uncertainties
In common with all companies operating in the United Kingdom, the impact of the effects of Covid-19 is a principal risk to the group.

Economic risk
The risk of increased interest rates, currency fluctuation, and/or inflation may have an adverse impact on served markets. In order to manage this the Group has entered into long-term borrowing arrangements.

Competition risk
The Group manages competition risk through close attention to customer service levels and sourcing competitive products.

Financial risk
All key financial figures are monitored on an ongoing basis.

Supply Chain Risk
The effects of the pandemic and Brexit have caused worldwide supply chain shortages with many important commodities in short supply and on allocation. These shortages have also caused cost inflation to essential raw materials. The Group is managing this situation closely and have the means within its contractual relationship with customers to pass on these costs. The Group does not enter into long term pricing contracts with any customer.

Price risk
The Group faces increasing costs. The directors are of the opinion that the Group is well positioned to manage these costs.

Seal It Services Limited

Strategic report *(continued)*

Year ended 31 March 2021

Future developments
With an experienced management team, a strong product portfolio, well invested asset bases and a robust financial position, we remain confident in the continued success and development of the business.

This report was approved by the board of directors on 17/05/2021 and signed on behalf of the board by:

Mr G Helm
Director

Registered office:
Unit G16
Lowfields Business Park
Lacey Way, Elland
West Yorkshire
HX5 9DN

Seal It Services Limited

Directors' report

Year ended 31 March 2021

The directors present their report and financial statements for the year ended 31 March 2021.

Financial risk management objectives and policies
The Group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk, price risk and exchange risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of exchange exposure and credit risk.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Directors
The directors who served the Group during the period were as follows:

Mr G Helm
Mr D Moore
Mr S Engineer
Mrs J Engineer

Mr D Morgan was appointed as a director on 7 May 2021.

Strategic report
The strategic report is included at pages 2 to 4.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, Directors' Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Seal It Services Limited

Directors' report *(continued)*

Year ended 31 March 2021

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor
The auditors, BDO Northern Ireland, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the board of directors on 17/05/2021 and signed on behalf of the board by:

Mr G Helm
Director

Registered office:
Unit G16
Lowfields Business Park
Lacey Way, Elland
West Yorkshire
HX5 9DN

Tel: +44 (0)28 9043 9009
Email: Belfast@bdoni.com
www.bdoni.com

Chartered Accountants
Lindsay House
10 Callender Street
Belfast BT1 5BN

Seal It Services Limited

Independent auditor's report to the members of Seal It Services Limited

Year ended 31 March 2021

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provision of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Seal It Services Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 March 2021 which comprise the which comprise the Consolidated Statement of Profit and Loss and Comprehensive Income, Consolidated Statement of Financial Position and Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BDO

Seal It Services Limited

Independent auditor's report to the members of Seal It Services Limited
(continued)

Year ended 31 March 2021

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO

Responsibilities of Directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understating of the legal and the regulatory framework applicable to the group and the industry in which it operates and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, IFRSs, "the International Financial Reporting Standards".

We focused on laws and regulations that could give rise to material misstatement in the financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

BDO

Seal It Services Limited

Independent auditor's report to the members of Seal It Services Limited
(continued)

Year ended 31 March 2021

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transaction reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Jackson

Laura S V Jackson, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

17 May 2021

Seal It Services Limited

Consolidated statement of profit and loss and comprehensive income

Year ended 31 March 2021

	Note	2021 £	2020 £
Continuing operations			
Revenue	4	**26,523,175**	22,814,719
Cost of sales		**17,589,620**	14,895,003
Gross profit		**8,933,555**	7,919,716
Distribution costs		**2,275,808**	2,645,125
Administrative expenses		**4,257,430**	3,778,933
Other operating income		**(38,216)**	(17,302)
Operating profit		**2,438,533**	1,512,960
Finance costs	7	**309,913**	332,722
Profit before taxation		**2,128,620**	1,180,238
Taxation	9	**445,653**	321,906
Profit for the year		**1,682,967**	858,332
Other comprehensive income			
Foreign exchange movement		**(74,281)**	(104,816)
Total comprehensive income for the year		**1,608,686**	753,516
Attributable to:			
Owners of the parent company		**1,608,686**	753,516

All the activities of the Group are from continuing operations.

Seal It Services Limited

Consolidated statement of financial position

31 March 2021

	Note	2021 £	2020 £
Non-current assets			
Intangible assets	10	**2,389,769**	2,389,769
Property, plant, and equipment	11a	**4,393,883**	5,285,237
Right of Use Assets	11b	**1,480,355**	–
Total non-current assets		**8,264,007**	7,675,006
Current assets			
Inventory	13	**3,841,194**	2,802,663
Trade and other receivables	14	**6,070,242**	4,813,240
Cash and cash equivalents	15	**487,565**	73,519
Total current assets		**10,399,001**	7,689,422
Total assets		**18,663,008**	15,364,428
Liabilities			
Non-current liabilities			
Loans and borrowings	16	**3,611,073**	4,987,185
Lease Liabilities	11b	**718,172**	–
Deferred tax liabilities	18	**230,776**	170,834
Total non-current liabilities		**4,560,021**	5,158,019
Current liabilities			
Loans and borrowings	16	**3,102,733**	2,912,069
Lease Liabilities	11b	**380,662**	–
Trade and other payables	17	**4,719,992**	3,003,426
Total current liabilities		**8,203,387**	5,915,495
Total liabilities		**12,763,408**	11,073,514
Net assets		**5,899,600**	4,290,914
Equity attributable to owners of the parent			
Share capital	19	**100**	100
Retained earnings	20	**6,122,228**	4,439,261
Foreign exchange reserve	20	**(222,728)**	(148,447)
Total equity		**5,899,600**	4,290,914

These financial statements were approved by the board of directors and authorised for issue on 17/05/2021 and are signed on behalf of the board by:

Mr G Helm
Director

Company registration number: 04487206

Seal It Services Limited

Company statement of financial position

31 March 2021

	Note	2021 £	2020 £
Non-current assets			
Property, Plant and Equipment	11a	3,823,758	4,507,727
Right of Use Assets	11b	928,658	–
Investments	12	542,340	542,340
Other receivables	14	4,532,504	3,728,568
Total non-current assets		9,827,260	8,778,635
Current assets			
Inventory	13	3,367,036	2,593,120
Trade and other receivables	14	5,690,242	4,748,537
Cash and cash equivalents	15	297,170	–
Total current assets		9,354,448	7,341,657
Total assets		19,181,708	16,120,292
Liabilities			
Non-current liabilities			
Loans and borrowings	16	3,611,073	4,987,185
Lease Liabilities	11b	410,168	–
Deferred tax liabilities	18	230,776	170,834
Total non-current liabilities		4,252,017	5,158,019
Current liabilities			
Loans and borrowings	16	3,102,733	2,949,904
Lease Liabilities	11b	204,664	–
Trade and other payables	17	4,734,824	2,883,829
Total current liabilities		8,042,221	5,833,733
Total liabilities		12,294,238	10,991,752
Net assets		6,887,470	5,128,540
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	6,852,860	5,156,222
Foreign exchange reserve	20	34,510	(27,782)
Total equity		6,887,470	5,128,540

The profit for the financial year of the parent company was £1,696,638 (2020: £1,028,824)

These financial statements were approved by the board of directors and authorised for issue on 17/05/2021 and are signed on behalf of the board by.

Mr G Helm
Director

Company registration number: 04487206

The notes on pages 16 to 49 form part of these financial statements.

Seal It Services Limited

Consolidated statement of changes in equity

Year ended 31 March 2021

	Issued share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2020	100	(148,447)	4,439,261	4,290,914
Profit for the year	–	–	1,682,967	1,682,967
Foreign Currency Gain	–	(74,281)	–	(74,281)
Total comprehensive income for the year	–	(74,281)	1,682,967	1,608,686
At 31 March 2021	100	(222,728)	6,122,228	5,899,600

	Issued share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2019	100	(43,631)	3,580,929	3,537,398
Profit for the year	–	–	858,332	858,332
Foreign currency loss	–	(104,816)	–	(104,816)
Total comprehensive income for the year	–	(104,816)	858,332	753,516
At 31 March 2020	100	(148,447)	4,439,261	4,290,914

Company statement of changes in equity	Issued share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2020	100	(27,782)	5,156,222	5,128,540
Profit for the year	–	–	1,696,638	1,696,638
Foreign Currency Gain	–	62,292	–	62,292
Total comprehensive income for the year	–	62,292	1,696,638	1,758,930
At 31 March 2021	100	34,510	6,852,860	6,887,470

Company statement of changes in equity	Issued share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2019	100	82,266	4,127,398	4,209,764
Profit for the year	–	–	1,028,824	1,028,824
Foreign currency loss	–	(110,048)	–	(110,048)
Total comprehensive income for the year	–	(110,048)	1,028,824	918,776
At 31 March 2020	100	(27,782)	5,156,222	5,128,540

Seal It Services Limited

Consolidated statement of cash flows

Year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit after taxation		**1,682,967**	858,332
Adjustment for:			
Depreciation	11 & 11b	**961,132**	814,944
Net finance costs	7	**309,913**	332,722
Accrued expenses		**360,292**	121,702
Foreign currency		**(31,275)**	(143,517)
Tax on profit of ordinary activities	9	**445,653**	321,906
		3,728,682	2,306,089
Changes in working capital:			
Movement in inventory		**(1,038,531)**	244,397
Movement in trade and other receivables		**(1,257,002)**	(1,265,324)
Movement in trade and other payables		**1,339,483**	(922,691)
Cash generated from operations		**2,772,632**	362,471
Interest paid		**(123,537)**	(218,848)
Income tax paid		**(227,057)**	(260,831)
Net cash(outflow)/ inflow from operating activities		**2,422,038**	(117,208)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(749,135)**	(343,594)
Net cash outflow from investing activities		**(749,135)**	(343,594)
Cash flows from financing activities			
Capital repayment of finance lease repayments		–	(201,890)
Payment of lease liabilities		**(190,758)**	–
Proceeds from parent company		–	473,785
Repayment of parent company loan		**(552,523)**	(144,238)
Proceeds from bank loans		**161,203**	–
Repayment of bank loans		**(676,779)**	(449,520)
Net cash (outflow)/inflow from financing activities		**(1,258,857)**	(321,863)
Net increase/(decrease) in cash and cash equivalents		**414,046**	(782,665)
Cash and cash equivalents at 1 April		**73,519**	856,184
Cash and cash equivalents at 31 March	15	**487,565**	73,519

The notes on pages 16 to 49 form part of these financial statements.

1. General information

Seal It Services Limited is a Company incorporated and domiciled in the United Kingdom. The registered office of the Company is Unit G16, Lowfields Business Park, Lacey Way, Elland, West Yorkshire, HX5 9DN. The principal activity of the Company and its Subsidiary is the manufacture and supply of building products and building chemicals.

The consolidated financial statements were authorised for issue by the board of directors on 17 May 2021.

2. Accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied consistently for all years presented unless otherwise stated. The financial statements are presented in pounds sterling, which is also the Group's functional currency. Amounts are rounded to the nearest pound, unless otherwise stated.

The consolidated financial statements of Seal It Services Limited have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Going Concern

On 11 March 2020, The World Health Organization declared Covid-19 a global pandemic. The pandemic is significantly affecting the global economy due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, which is apparent in more volatile asset prices, exchange rates and a decrease in the long-term interest rates.

Despite the impact of the Covid-19 on the wider economy, the directors believe that the group continues to be well positioned and continue their strong trading performance past the current period of uncertainty.

The parent company, Astral Limited, has pledged to support the company for a period of at least 12 months from the date of the approval of the financial statements. The Group has an amount owing to Astral Limited of £2,831,045 and they have confirmed they will not recall this balance to such times as the Group has the adequate resources to repay this balance.

Having regard to these facts, the Directors have considered the potential implications for the group and are of the opinion that it is appropriate to prepare the financial statements on the going concern basis. This assumes the company will continue in operation existence for at least twelve months from the date of approval of the financial statements while having adequate financial resources to meet its obligations when they fall due.

The financial statements have been prepared on a going concern basis.

2. Accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all Group undertakings. Intercompany transactions and balances between the Group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirees identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Exemptions

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented an income statement, or statement of comprehensive income, for the Company alone.

Revenue recognition

Performance obligations and timing of revenue recognition

The majority of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. Delivery shall be deemed to have taken place:

- In the case of carriage arranged by the Company by its own transport or otherwise, when goods are taken from the vehicle at the delivery point in the United Kingdom specified in writing by the Customer and agreed by the Company prior to despatch.
- In the case of carriage arranged by the Customer by its own transport or otherwise when the goods are loaded onto the vehicle used.

There is limited judgement needed in identifying the point control passes; once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price
All of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined to reference to those fixed prices. Some contracts provide customers with a limited right of return. Historical experience enables the Group to estimate reliably the value of goods that will be returned and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when goods are returned.

Allocating amounts to performance obligations
For most contracts there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts. Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices.

2. Accounting policies *(continued)*

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Employee benefits: Pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense over the period of employee service.

Foreign currency translation

The functional currency of the Group is Pounds Sterling because that is the currency of the primary economic environment in which the Group operates. The Group's presentation currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. The USA Subsidiary was translated using the year end rate for consolidation purposes. The following exchange rates were applied for £1 at 31 March:

	2021	2020
United States dollar	**1.37970**	1.23995

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

2. **Accounting policies** *(continued)*

Property, plant and equipment

Owned assets
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Owned assets (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term. Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold & Leasehold Property	-	4% Straight Line
Plant & Machinery	-	12.5% - 20% Straight Line
Fixtures & Fittings	-	20% Straight Line
Motor Vehicles	-	25% Straight Line
Equipment	-	20% - 33% Straight Line

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Accounting policies *(continued)*

Property, plant and equipment *(continued)*

a. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2. Accounting policies *(continued)*

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Investments

Fixed asset investments are stated at their purchase cost less any provision for diminution in value. Investment income is included in the profit and loss account on an accrual basis.

Impairment of non-current assets

Impairment tests on goodwill is undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first in first out basis. Cost comprises material costs, direct wages. Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs. Provision is made, where necessary, for slow moving, obsolete and defective inventories.

Financial assets

Classification
The Group classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method. They are all included in current assets. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets
Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

2. Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Other financial liabilities

Other financial liabilities include the following items:

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Accounting policies *(continued)*

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instrument.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

Fair value estimation

Fair values are estimated based on the fair value hierarchy of IFRS 13 which defines the different levels of fair value as follows:

- quoted prices in active markets for identical assets or liabilities (level 1).
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- inputs for the asset or liability that are not based on observable market data (level 3).

Financial risk management objectives and policies

The objective of the Group's capital management policy is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the Group may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processed during the period ended 31 March 2021.

New standards, interpretations, and amendments effective from 1 January 2020

There are a number of new standards, amendments to new standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

- *Definition of a Business (Amendments to IFRS 3);*
- *Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and*
- *COVID-19-Related Rent Concessions (Amendments to IFRS 16).*

The adoption of these standards, interpretations and amendments has had no impact on the Group's reported figures during the year.

2. Accounting policies *(continued)*

New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);*
- *Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and*
- *References to Conceptual Framework (Amendments to IFRS 3).*

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities

3. Critical accounting judgements and estimates

The preparation of the Group's financial statements under IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The directors have considered that the following estimates or judgements likely to have the significant effect on the amounts recognised in the financial statements:

Depreciation of tangible fixed assets

Tangible fixed assets (as detailed in note 11a), are depreciated at historical cost using a straight-line method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life are based on the directors' best estimates and are reviewed, and adjusted if required, at each balance sheet date.

3. Critical accounting judgements and estimates *(continued)*

Impairment of Goodwill

The estimate of future cash flows and determination of a suitable discount rate is further discussed in note 10.

Impairment review

In view of the unprecedented Covid-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. In assessing the recoverability, the Company has considered internal and external information up to the date of approval of these financial results and has concluded that there are no material adjustments required in these financial results. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

4. Revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date.

	2021	2020
	£	£
UK Sales	**23,090,062**	19,510,229
US sales	**2,398,620**	1,884,241
EU sales	**963,058**	1,250,962
Other	**71,435**	169,287
	26,523,175	22,814,719

All sales relate to goods and the timing of the transfer of goods is on delivery to the customer premises.

5. Expenses by nature

	2021	2020
	£	£
Raw materials and consumables used	**16,312,220**	13,687,960
Employee costs	**3,582,233**	3,588,786
Depreciation	**961,132**	814,944
Other sales expenses	**337,503**	522,040
Repairs	**261,810**	184,134
Other cost of sales	**151,655**	196,853
Transport	**1,228,722**	1,060,788
Finance costs	**309,913**	332,722
Foreign currency gains/(losses)	**(35,961)**	(27,937)
Other administrative costs	**1,323,544**	1,019,250
Rent	–	281,594
Other income	**(38,216)**	(26653)
	24,394,555	21,634,481

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

6. Employees and directors

Staff members:
The average number of staff employed by the Group during the financial year amounted to:

	2021	2020
Number of production staff	62	.48
Number of distribution staff	16	19
Number of administrative staff	49	51
Number of management staff	5	5
	132	123

Out of the average staff numbers 17 (2020: 17) are employed by the subsidiary Seal It Inc.

Payroll costs:
The aggregate payroll costs of the above were:

	2021	2020
	£	£
Wages and salaries	3,083,046	3,240,417
Employers' national insurance contributions and similar taxes	287,616	298,254
Defined contribution pension cost	211,571	50,115
	3,582,233	3,588,786

Directors' remuneration:
The directors' aggregate remuneration in respect of qualifying services were:

	2021	2020
	£	£
Remuneration receivable	203,694	266,514
Defined contribution pension cost	129,803	12,841
	333,497	279,355

Remuneration of highest paid director:

	2021	2020
	£	£
Remuneration receivable	110,832	152,479
Defined contribution pension costs	52,178	7,988
	163,010	160,467

The number of directors who accrued benefits under Company pension schemes was as follows:

	2021	2020
	No.	No.
Money purchase schemes	2	2

Key management compensation:
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, both directly and indirectly.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

6. Employees and directors *(continued)*

The following table details the aggregate compensation paid in respect of the members of key management:

	2021	2020
	£	£
Remuneration receivable	**203,694**	266,514
Defined contribution pension cost	**129,803**	12,841
	333,497	279,355

Retirement benefits:
The Group runs a defined benefit pension scheme for its employees. During the year, the Group made contributions of £211,571 (2020: £50,115).

7. Finance costs

	2021	2020
	£	£
Interest expense on financial liabilities measured at amortised cost and other similar charges	**292,579**	235,252
Finance leases (interest portion)	**17,334**	97,470
	309,913	332,722

8. Auditors remuneration

	2021	2020
	£	£
Auditors remuneration:		
- as auditor	**43,502**	20,000
Other services:		
- taxation services	**7,664**	2,000
	51,166	22,000

9. Taxation

Major components of tax expense

(a)Analysis of charge in the year

	2021	2020
Current tax:	£	£
In respect of the year:		
Current tax based on the results for the year at 19% (2020 - 19%)	**415,207**	302,702
Over provision in prior year	**(29,496)**	(8,460)
Total current tax	**385,711**	294,242
Deferred tax:		
Origination and reversal of timing differences	**24,740**	(10,560)
Effect of tax rate change on opening balances	**35,202**	19,094
Adjustments in respect of prior periods`	–	19,130
Total tax charge	**445,653**	321,906

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

9. Taxation *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 - 19%).

	2021	2020
	£	£
Profit before taxation	**2,128,620**	1,180,238
Profit by rate of corporation tax in UK	**404,437**	224,245
Expenses not deductible for tax purposes	**596**	596
Surplus of depreciation over capital allowances	**22,582**	25,812
Adjustments to tax charge in respect of previous periods	**(29,496)**	(8,460)
Unrelieved foreign tax losses	**–**	30,942
Deferred tax – fixed asset timing difference	**35,202**	38,224
Transfer pricing adjustment	**12,332**	10,547
Total tax charge	**445,653**	321,906

10. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2020	**2,389,769**
Additions acquired through business combinations	–
At 31 March 2021	**2,389,769**
Amortisation and impairment	–
At 1 April 2020 and 31 March 2021	–
Carrying amount	
At 31 March 2021	**2,389,769**
At 31 March 2020	2,389,769

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. Management are of the view that no indicators of impairment were noted as at the 31 March 2021 and this will be re-assessed annually going forward.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

10. Intangible assets *(continued)*

Management reviews the business performance based on operating segments identified as UK & Ireland and the US. Goodwill with indefinite useful lives are monitored by management at operating segment level. All of the goodwill is within the US segment. The recoverable amount of all cash generating units (CGUs) has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long term average growth rate for the sealant business in which the CGU operates. The key assumptions used for value in use calculations were as follows:

Compound revenue growth	10%
Long term growth rate	10%
Discount rate	3%

Management determined budgeted gross margin based on past performance and its expectations of market development. The growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. Management have considered the sensitivity of these assumptions and consider that no reasonable changes in the assumptions would lead to an impairment of the intangible assets.

11a. Property, Plant and Equipment

Group

	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 Apr 2020	3,326,837	5,398,330	494,753	107,817	296,004	**9,623,741**
Additions	83,195	445,246	73,596	81,220	65,878	**749,135**
Disposals	–	–	–	(49,735)	–	**(49,735)**
Transfer	–	(710,752)	–	(77,159)	–	**(787,911)**
FX	(4,038)	(45,881)	(11,661)	–	(991)	**(62,571)**
At 31 Mar 2021	3,405,994	5,086,943	556,688	62,143	360,891	**9,472,659**
Depreciation						
At 1 Apr 2020	523,660	3,232,142	270,879	77,132	234,691	**4,338,504**
Charge for year	144,730	611,053	58,458	7,044	41,094	**862,379**
Disposals	–	–	–	(49,735)	–	**(49,735)**
Transfers	–	(82,000)	–	(4,061)	–	**(86,061)**
FX	310	9,308	665	3,360	46	**13,689**
At 31 Mar 2021	668,700	3,770,503	330,002	33,740	275,831	**5,078,776**
Net book value						
At 31 Mar 2021	**2,737,294**	**1,316,440**	**226,686**	**28,403**	**85,060**	**4,393,883**
At 31 Mar 2020	2,803,177	2,166,188	223,874	30,685	61,313	5,285,237

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

11a. Property, Plant and Equipment

Group

	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 Apr 2019	3,298,566	4,835,134	469,158	105,182	244,475	**8,952,515**
Additions	23,766	509,827	25,595	18,535	50,851	**628,574**
Disposals	–	–	–	(15,900)	–	**(15,900)**
FX	4,505	53,369	–	–	678	**58,552**
At 31 Mar 2020	3,326,837	5,398,330	494,753	107,817	296,004	**9,623,741**
Depreciation						
At 1 Apr 2019	382,729	2,640,331	226,585	79,195	190,768	**3,519,608**
Charge for year	140,347	578,643	44,294	8,272	43,388	**814,944**
Disposals	–	–	–	(10,335)	–	**(10,335)**
FX	584	13,168	–	–	535	**14,287**
At 31 Mar 2020	523,660	3,232,142	270,879	77,132	234,691	**4,338,504**
Net book value						
At 31 Mar 2020	**2,803,177**	**2,166,188**	**223,874**	**30,685**	**61,313**	**5,285,237**
At 31 Mar 2019	2,915,837	2,194,803	242,573	25,987	53,706	5,432,907

Company

	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 Apr 2020	**3,233,877**	**4,369,347**	**494,146**	**107,817**	**260,214**	**8,465,401**
Additions	**83,196**	**415,640**	**51,213**	**81,220**	**62,771**	**694,040**
Disposals	–	–	–	**(49,735)**	–	**(49,735)**
Transfer	–	**(710,752)**	–	**(77,159)**	–	**(787,911)**
At 31 Mar 2021	**3,317,073**	**4,074,235**	**545,359**	**62,143**	**322,985**	**8,321,795**
Depreciation						
At 1 Apr 2020	**508,853**	**2,885,819**	**270,879**	**77,132**	**214,991**	**3,957,674**
Charge for the year	**139,034**	**440,226**	**46,252**	**10,404**	**40,243**	**676,159**
Disposals	–	–	–	**(49,735)**	–	**(49,735)**
Transfers	–	**(82,000)**	–	**(4,061)**	–	**(86,061)**
At 31 Mar 2021	**647,887**	**3,244,045**	**317,131**	**33,740**	**255,234**	**4,498,037**
Net book value						
At 31 Mar 2021	**2,669,186**	**830,190**	**228,228**	**28,403**	**67,751**	**3,823,758**
At 31 Mar 2020	2,725,024	1,483,528	223,267	30,685	45,223	4,507,727

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

11a. Property, Plant and Equipment

Company

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2019	3,210,019	3,952,338	468,551	105,182	209,363	7,945,453
Additions	23,858	417,009	25,595	18,535	50,851	535,848
Disposals	–	–	–	(15,900)	–	(15,900)
At 31 Mar 2020	3,233,877	4,369,347	494,146	107,817	260,214	8,465,401
Depreciation						
At 1 Apr 2019	372,998	2,432,777	226,585	79,195	181,143	3,292,698
Charge for the year	135,855	453,042	44,294	8,272	33,848	675,311
Disposals	–	–	–	(10,335)	–	(10,335)
At 31 Mar 2020	508,853	2,885,819	270,879	77,132	214,991	3,957,674
Net book value						
At 31 Mar 2020	2,725,024	1,483,528	223,267	30,685	45,223	4,507,727
At 31 Mar 2019	2,837,021	1,519,561	241,966	25,987	28,220	4,652,755

11b. Right of Use Assets

Group

	Buildings £	Plant, Machinery, & Motor Vehicles £	Total £
Cost			
At 1 Apr 2020	–	–	–
Additions	903,541	–	903,541
Transfer	–	787,911	787,911
FX on addition	(33,394)	–	(33,394)
At 31 Mar 2021	870,147	787,911	1,658,058
Depreciation			
At 1 Apr 2020	–	–	–
Charge for year	184,814	–	184,814
FX on addition	(7,111)	–	(7,111)
At 31 Mar 2021	177,703	–	177,703
Net book value			
At 31 Mar 2021	692,444	787,911	1,480,355
At 31 Mar 2020	–	–	–

In accordance with the group's right of use assets policy, during the year the group has transferred assets of £787,911 previously capitalised under finance lease arrangements from property, plant and equipment to right of use assets.

11b. Right of Use Assets

	Buildings	Plant, Machinery, & Motor Vehicles (transferred)	Total
Lease liabilities	£	£	£
At 1 Apr 2020	–	–	–
Additions	729,294	542,964	**1,272,258**
Lease payments	(53,950)	(136,808)	**(190,758)**
Interest	5,217	12,117	**17,334**
At 31 Mar 2021	**680,561**	**418,273**	**1,098,834**

The Group's lease liabilities comprise of leases in respect of properties in the jurisdiction in which the Group operates and certain items of plant and machinery used in the Group's operating activities.

Lease repayments comprise only of fixed payments over the lease terms.

Capital commitments	**2021**	2020
	£	£
Contracted but not provided for in the financial statements	**92,000**	132,000

Company	Buildings	Plant, Machinery, & Motor Vehicles	Total
	£	£	£
Cost			
At 1 Apr 2020	–	–	–
Additions	187,909	–	**187,909**
Transfer	–	787,911	**787,911**
At 31 Mar 2021	187,909	787,911	**975,820**
Depreciation			
At 1 Apr 2020	–	–	–
Charge for year	47,162		**47,162**
Transfer	–	–	–
At 31 Mar 2021	47,162		**47,162**
Net book value			
At 31 Mar 2021	**140,747**	**787,911**	**928,658**
At 31 Mar 2020	–	–	–

In accordance with the company's right of use assets policy, during the year the company has transferred assets of £787,911 previously capitalised under finance lease arrangements from property, plant and equipment to right of use assets.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

11b. Right of Use Assets

Lease liabilities	Buildings £	Plant, Machinery, & Motor Vehicles (transferred) £	Total £
At 1 Apr 2020	–	–	–
Additions	219,021	542,964	**761,985**
Lease payments	(23,980)	(136,808)	**(160,788)**
Interest	1,518	12,117	**13,635**
At 31 Mar 2021	**196,559**	**418,273**	**614,832**

The Company's lease liabilities comprise of leases in respect of properties in the jurisdiction in which the Company operates and certain items of plant and machinery used in the Company's operating activities.

Lease repayments comprise only of fixed payments over the lease terms.

Capital commitments	2021 £	2020 £
Contracted but not provided for in the financial statements	**92,000**	132,000

Bank borrowings are secured over the freehold property known as Units G16, G17 and G18 and asset Finance is subject to title of the assets.

12. Investments

Company	Group companies £
Cost	
At 1 April 2020	**542,340**
Additions	–
Disposals	–
Net book value	
At 31 March 2021	**542,340**
At 31 March 2020	542,340

The sole subsidiary of Seal It Services Ltd, which has been included in these consolidated financial statements, is as follows:

	Country of incorporation	Proportion of voting rights and shares held	Nature of business
Seal It Inc	USA	100%	Manufacturing

The registered office of Seal It Inc is: c/o Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, Delaware 19904.

13. Inventories

Group

	2021	2020
	£	£
Raw materials	**1,972,773**	1,336,799
Work in progress	**47,047**	34,237
Finished goods	**1,821,374**	1,431,627
	3,841,194	2,802,663

The cost of inventories recognised as expenses and included in cost of sales amounted to £16,312,220 (2020: £13,687,960).

Company

	2021	2020
	£	£
Raw materials	**1,821,829**	1,261,644
Work in progress	**44,419**	28,026
Finished goods	**1,500,788**	1,303,450
	3,367,036	2,593,120

14. Trade and other receivables

Group

	2021	2020
	£	£
Trade receivables	**5,819,933**	4,295,233
Less: provision for impairment of trade receivables	**(25,975)**	(36,799)
Trade receivables – net	**5,793,958**	4,258,434
Total financial assets other than cash and cash equivalents classified as amortised cost	**5,793,958**	4,258,434
Other receivables	**107,865**	389,186
Prepayments and accrued income	**168,419**	165,620
Total trade and other receivables	**6,070,242**	4,813,240

All trade and receivables are due within one year. Trade and other receivables are held at cost as fair value approximates cost. Trade and other receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days.

14. Trade and other receivables *(continued)*

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

At 31 March 2021, £2,309,238 (2020: £2,148,035) had been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debts transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2021	2020
	£	£
Sterling	**5,294,428**	3,965,847
US Dollars	**499,530**	292,587
	5,793,958	4,258,434

Movements on the Group provision for impairment of trade receivables are as follows:

	2021	2020
	£	£
At 1 April 2020	**36,799**	39,571
(Decrease)/ Increase in provision for receivables impairment	**(10,824)**	(2,772)
At 31 March 2021	**25,975**	36,799

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

At 31 March 2021, trade receivables of £Nil (2020: £Nil) were past due but not impaired.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

14. Trade and other receivables *(continued)*

The ageing analysis of these trade receivables is as follows:

	2021	2020
	£	£
Up to 3 months	–	–
3 to 6 months	–	–
Over 6 months	–	–
At 31 March	–	–

At 31 March 2021, trade receivables of £25,975 (2020: £36,799) were impaired. The ageing analysis of these trade receivables is as follows:

	2021	2020
	£	£
Up to 3 months	**2,883**	2,683
3 to 6 months	**23,092**	34,116
Over 6 months	–	–
At 31 March	**25,975**	36,799

Company

	2021	2020
	£	£
Trade receivables	**5,307,654**	3,989,642
Less: provision for impairment of trade receivables	**(18,728)**	(23,795)
Trade receivables – net	**5,288,926**	3,965,847
Receivables from group companies	**4,532,504**	3,966,426
Total financial assets other than cash and cash equivalents classified as amortised cost	**9,821,430**	7,923,273
Other receivables	**257,069**	389,186
Prepayments and accrued income	**144,247**	155,646
Total trade and other receivables	**10,222,746**	8,477,105
Less: non-current portion – receivables from group companies	**4,532,504**	3,728,568
Current Portion	**5,690,242**	4,748,537

Current trade and other receivables are held at cost as fair value approximates cost. Trade and other receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

14. Trade and other receivables *(continued)*

The amounts receivable from group companies are due for repayment after one year from 31 March 2021. The terms of the loan carry an interest charge of 3%, £62,528, which has been charged to the company profit and loss during the year.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2021	2020
	£	£
Sterling	**5,690,242**	4,510,679
US Dollars	**4,532,504**	3,966,426
	10,222,746	8,477,105

Movements on the company's provision for impairment of trade receivables are as follows:

	2021	2020
	£	£
At 1 April 2020	**23,795**	31,801
(Decrease)/increase in provision for receivables impairment	**(5,067)**	(8,006)
At 31 March 2021	**18,728**	23,795

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The company does not hold any collateral as security.

At 31 March 2021, trade receivables of £Nil (2020: £Nil) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2021	2020
	£	£
Up to 3 months	–	–
3 to 6 months	–	–
Over 6 months	–	–
At 31 March	–	–

14. Trade and other receivables *(continued)*

At 31 March 2021, trade receivables of £18,728 (2020: £23,795) were impaired. The ageing analysis of these trade receivables is as follows:

	2021	2020
	£	£
Up to 3 months	–	–
3 to 6 months	18,728	23,795
Over 6 months	–	–
At 31 March	**18,728**	23,795

15. Cash and cash equivalents

Group

	2021	2020
	£	£
Cash and cash equivalents	**487,565**	73,519

Cash and cash equivalents are denominated in either £ Sterling or $ USD. Included within cash and cash equivalents is an overdraft balance of £Nil denominated in £ Sterling and £NIL denominated in $ USD.

Company

	2021	2020
	£	£
Cash and cash equivalents	**297,170**	–
Bank Overdraft	–	(37,835)
	297,170	(37,835)

All cash and cash equivalents are denominated in £ Sterling.

16. Loans and borrowings

Group

	2021	2020
	£	£
Non-current		
Bank borrowings	**780,028**	1,447,802
Loans from parent company	**2,831,045**	3,383,568
Finance leases	–	155,815
Total non-current loans and borrowings	**3,611,073**	4,987,185

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

16. Loans and borrowings ***(continued)***

	2021 £	2020 £
Current		
Bank borrowings	**3,102,733**	2,764,158
Finance leases	**–**	147,911
Total current loans and borrowings	**3,102,733**	2,912,069
Total loans and borrowings	**6,713,806**	7,899,254

£424,375 (2020: £668,374) of the loans and borrowings are denominated in $ USD with all other amounts denominated in £ Sterling. Leases are secured against the assets which they were used to acquire. The interest rate profile of interest bearing borrowings is as follows:

	2021		2020	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	**780,028**	2.3%	1,447,802	2.3%
Loans from parent company	**2,831,045**	3.0%	3,383,568	3.0%
Finance leases	**–**	10.0%	155,815	10.0%
	3,611,073		4,987,185	
Current				
Bank borrowings	**3,102,733**	2.3%	2,764,158	2.3%
Finance leases	**–**	10.0%	147,911	10.0%
	3,102,733		2,912,069	

The carrying amount and fair values of the non-current borrowings are follows:

	2021		2020	
	Debt £	**Fair value £**	Debt £	Fair value £
Non-current				
Bank borrowings	**780,028**	**696,197**	1,447,802	1,254,161
Loans from parent company	**2,831,045**	**2,526,787**	3,383,568	2,931,970
Finance leases	**–**	**–**	155,815	128,773
	3,611,073	**3,222,984**	4,987,185	4,314,904

	2021		2020	
	Debt £	**Fair value £**	Debt £	Fair value £
Current				
Bank borrowings	**3,102,733**	**3,102,733**	2,764,158	2,764,158
Finance leases	**–**	**–**	147,911	147,911
	3,102,733	**3,102,733**	2,912,069	2,912,069

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

16. Loans and borrowings *(continued)*

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are determined using Level 3 of the fair value hierarchy and are based on cash flows discounted using a rate based on the borrowing rates noted above.

The maturity profile of loans and borrowings is as follows:

	2021	2020
	£	£
Less than one year	**3,102,733**	2,912,069
Between one and five years	**3,252,979**	4,444,338
Over five years	**358,094**	542,847
Total loans and borrowings	**6,713,806**	7,899,254

Company

	2021	2020
	£	£
Non-current		
Bank borrowings	**780,028**	1,447,802
Loans from parent company	**2,831,045**	3,383,568
Finance leases	–	155,815
Total non-current loans and borrowings	**3,611,073**	4,987,185

	2021	2020
	£	£
Current		
Bank overdraft	–	37,835
Bank borrowings	**3,102,733**	2,764,158
Finance leases	–	147,911
Total current loans and borrowings	**3,102,733**	2,949,904
Total loans and borrowings	**6,713,806**	7,937,089

£424,375 (2020: £668,374) of the loans and borrowings are denominated in $ USD with all other amounts denominated in £ Sterling.

16. Loans and borrowings *(continued)*

Finance leases are secured against the assets which they were used to acquire. The interest rate profile of interest bearing borrowings is as follows:

	2021		2020	
	Debt £	**Interest %**	Debt £	Interest %
Non-current				
Bank borrowings	**780,028**	**2.3%**	1,447,802	2.3%
Loans from Group undertakings	**2,831,045**	**3.0%**	3,383,568	3.0%
Finance leases	**–**	**10.0%**	155,815	10.0%
	3,611,073		4,987,185	
Current				
Bank overdraft	–	0.0%	37,835	0.0%
Bank borrowings	**3,102,733**	2.3%	2,764,158	2.3%
Finance leases	–	10.0%	147,911	10.0%
	3,102,733		2,949,904	

The carrying amount and fair values of the non-current borrowings are follows:

	2021		2020	
	Debt £	**Fair value £**	Debt £	Fair value £
Non-current				
Bank borrowings	**780,028**	**696,197**	1,447,802	1,254,161
Loans from parent company	**2,831,045**	**2,526,787**	3,383,568	2,931,970
Finance leases	**–**	**–**	155,815	128,773
	3,611,073	**3,222,984**	4,987,185	4,314,904

	2021		2020	
	Debt £	**Fair value £**	Debt £	Fair value £
Current				
Bank overdraft	–	–	37,835	37,835
Bank borrowings	**3,102,733**	**3,102,733**	2,764,158	2,764,158
Finance leases	–	–	147,911	147,911
	3,102,733	**3,102,733**	2,949,904	2,949,904

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are determined using Level 3 of the fair value hierarchy and are based on cash flows discounted using a rate based on the borrowing rates noted above.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2021

16. Loans and borrowings *(continued)*

The maturity profile of loans and borrowings is as follows:

	2021	2020
	£	£
Less than one year	**3,102,733**	2,949,904
Between one and five years	**3,252,979**	4,444,338
Over five years	**358,094**	542,847
Total loans and borrowings	**6,713,806**	7,937,089

Bank borrowings for the company and group are secured by the following:

- First legal mortgage over the freehold property known as Units G16, G17 and G18.
- Debenture comprising fixed and floating charges over all the assets and undertakings the Parent company including all present and future freehold and leasehold property, book and other debts chattels, goodwill both present and future.
- General letter of pledge given by the Parent Company.
- Contact monies charge given by the Parent Company.
- Loan Postponement form given by Astral Limited.
- Unlimited multilateral cross company guarantee given by the Parent company and the Subsidiary.

17. Trade and other payables

Group

	2021	2020
Current	£	£
Trade payables	**3,096,979**	1,664,091
Other payables	**(87,702)**	167,042
Accruals	**893,210**	532,920
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**3,902,487**	2,364,053
Corporation tax	**208,141**	191,350
Other taxation and social security	**609,364**	448,023
Total trade and other payables	**4,719,992**	3,003,426

17. Trade and other payables *(continued)*

Company

	2021	2020
	£	£
Current		
Trade payables	**2,774,892**	1,582,562
Other payables	**368,157**	148,442
Accruals	**782,035**	513,452
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**3,925,084**	2,244,456
Corporation tax	**208,141**	191,350
Other taxation and social security	**601,599**	448,023
Total trade and other payables	**4,734,824**	2,883,829

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

18. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group and company	
	2021	2020
	£	£
Provision brought forward	**170,834**	143,170
Increase/ (Decrease) in provision	**59,942**	27,664
Provision carried forward	**230,776**	170,834

The Group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2021		2020	
	Provided	Unprovided	Provided	Unprovided
Group and Company	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	**230,776**	–	170,834	–

19. Share capital

Group and Company

Allotted, called up and fully paid:

	2021		2020	
	No	£	No	£
X Ordinary shares of £1 each	80	80	80	80
Y Ordinary shares of £1 each	20	20	20	20
	100	100	100	100

The nominal value of each share is £1 and each class of ordinary shares carries equal rights and rank pari passu with each other.

20. Reserves

The following describes the narrative and purpose of each reserve within equity:

Foreign Exchange Reserve

Gains and losses arising on retranslating the net assets of overseas operations into Pounds Sterling.

Retained Earnings

All other net gains and losses not recognised elsewhere.

Group	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2020	(148,447)	4,439,261
Profit for the year	–	1,682,967
Foreign exchange reserve	(74,281)	–
Balance at 31 March 2021	(222,728)	6,122,228

Group	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2019	(43,631)	3,580,929
Profit for the year	–	858,332
Foreign exchange reserve	(104,816)	–
Balance at 31 March 2020	(148,447)	4,439,261

20. Reserves *(continued)*

Company	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2020	(27,782)	5,156,222
Profit for the year		1,696,638
Foreign exchange reserve	62,292	–
Balance at 31 March 2021	34,510	6,852,860

Company	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2019	82,266	4,127,398
Profit for the year	–	1,028,824
Foreign exchange reserve	(110,048)	–
Balance at 31 March 2020	(27,782)	5,156,222

In accordance with the exemption allowed by Section 408 of the Companies Act 2006 the company has not presented its own profit and loss account.

21. Financial instruments – risk management

Financial risk management

The Group's activities expose it to a variety of financial risks that include the effects of changes in market prices (including foreign exchange and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the board of directors. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Credit risk

The Group trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised. The Group does not hold any security over assets as collateral.

At 31 March 2021 the provision for impairment of trade and other receivables totalled £25,975. At 31 March 2021, there were no trade and other receivables which were considered past due but not impaired.

21. Financial instruments – risk management *(continued)*

Market risk

The Group's main exposure to risk is through interest rates. The Group's interest rate risk arises from the borrowings as disclosed in Note 16. Where possible the Group seeks to fix the interest rates that it pays to mitigate the risk of interest rate fluctuations.

Liquidity risk

The Group has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement. Monitoring budgets and forecasts and actual cash flows achieve management of liquidity risk.

The maturity profile of loans and borrowings and trade and other payables is as follows:

Financial liabilities have the following undiscounted maturity profile:

	Less than 1 year £	Between 1 & 5 years £	Over 5 years £
At 31 March 2021			
Loans and borrowings	**3,102,733**	**3,252,979**	**358,094**
Lease Liabilities	**380,662**	**718,172**	–
Accruals	**893,210**	–	–
Trade payables	**3,096,979**	–	–
	7,473,584	**3,971,151**	**358,094**

	Less than 1 year £	Between 1 & 5 years £	Over 5 years £
At 31 March 2020			
Loans and borrowings	2,912,069	4,444,338	542,847
Accruals	532,920	–	–
Trade payables	1,664,091	–	–
	5,109,080	4,444,338	542,847

Capital management

The aim of the Group is to maintain sufficient funds to enable it to safeguard its ability to continue as a going concern and to make suitable investments and incremental acquisitions while providing returns for shareholders.

22. Financial instruments

a) By category

	2021 £	2020 £
Financial assets		
Cash and cash equivalents	**487,565**	73,519
Trade receivables	**5,793,958**	4,258,434
	6,281,523	4,331,953

	2021		2020	
	Financial liabilities at amortised cost £	**Financial liabilities at fair value £**	Financial liabilities at amortised cost £	Financial liabilities at fair value £
Financial liabilities				
Trade payables	**3,096,979**	–	1,664,091	–
Accruals	**893,210**	–	532,290	–
Loans from Group undertakings	**2,831,045**	–	3,383,568	–
Bank borrowings	**3,882,762**	–	4,211,960	–
Finance leases	–	–	303,726	–
Lease liabilities	**1,098,834**	–	–	–
	11,802,830	–	10,095,635	–

b) Analysis of Fair values

	2021 £	2020 £
Financial assets		
Cash and cash equivalents	**487,565**	73,519
Trade and other receivables	**5,793,958**	4,258,434
	6,281,523	4,331,953

22. Financial instruments *(continued)*

	2021		2020	
	Financial liabilities at amortised cost	**Fair values**	Financial liabilities at amortised cost	Fair values
	£	**£**	£	£
Liabilities				
Trade and other payables (excluding non-financial liabilities)	**3,817,215**	**3,817,215**	2,364,053	2,364,053
Loans from Group undertakings	**2,831,045**	**2,526,787**	3,383,568	2,931,970
Bank borrowings	**3,882,762**	**3,798,930**	4,211,960	4,018,319
Finance leases	**-**	**-**	303,726	276,684
Lease liabilities	**1,098,834**	**1,074,129**	-	-
	11,629,856	**11,217,061**	10,263,307	9,591,026

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans from Group undertakings, bank borrowings and leases.

Due to their short term nature the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value.

For details of the fair value hierarchy, valuation techniques, and significant observable inputs related to determining the fair value of loans and borrowings, which are classified in level 3 of the fair value hierarchy, refer to Note 16.

23. Related party transactions

At the year end, Seal It Services Limited owe the following to related parties:

	2021	2020
	£	£
Astral Limited	**2,831,045**	3,383,568

Details of directors' remuneration and key management compensation payable by the Group during the period are disclosed in Note 6.

The Group entered into an incentive agreement with one of the directors of which £40,000 was paid during the year and £60,000 to be paid in 2021/22.
£60,000 of this has been accrued at year end.

No other transactions with related parties were undertaken such as are required to be disclosed under IAS 24.

24. Ultimate parent company

The immediate and ultimate parent Company is Astral Limited from this date. The consolidated results of Seal It Services Limited are included with the Group accounts of Astral Limited which are publicly available from Astral Limited, 207/1, Bh. Rajpath Club, Off SG Highway, Ahmedabad.

25. Prior year balances

Certain prior year balances have been reclassified for comparative purposes. They have had no impact on profit.

ASTRAL FOUNDATION

ANNUAL ACCOUNT

PERIOD FROM FEBRUARY 18 , 2020
TO
MARCH 31, 2021

G. K. Choksi & Co.
Chartered Accountants
'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 6819 8900, 99251 74555 - 56 ; E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To
The Members,
ASTRAL FOUNDATION

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ASTRAL FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Income and Expenditure (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the period then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its surplus, total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Branches :
708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 021.
Dial : 91 - 22 - 6632 4446/47 ; FAX : 91 - 22 - 2288 2133 ; Email : mumbai@gkcco.com
514/515, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001
Dial : 91 - 11 - 4371 7773 - 74 ; Email : info@gkcco.com
'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91 - 2697 - 224 108

Responsibilities of Management and Those Charged with Governance for the standalone Ind AS financial statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

Our responsibility is to express an opinion on these standalone Ind AS 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.

We conducted our audit 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone Ind AS financial statements

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

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, is not applicable to the Company, as it is licensed to operate under Section 8 of the Act.

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 appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Income and Expenditure, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.

   (e) On the basis of written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

(f) The Ministry of Corporate Affairs vide its notification bearing no. G.S.R. 583(6) dated 13th June 2017, amended the provision of section 143(3) of the Companies Act, 2013. In accordance with the same reporting requirement related to adequacy and operating effectiveness of the internal financial controls over financial reporting is not applicable to the Company.

(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 in our opinion and to the best of our information and according to the explanations given to us :

(i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO..
[Firm Registration No. 101895W]
Chartered Accountants

VARTIK R. CHOKSI
Partner
Mem. No. 116743
UDIN : 21116743AAAAIW8310

Place : Ahmedabad
Date : 20th July, 2021

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lacs)

Particulars	Notes	As at March 31, 2021
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3	24.29
Total non-current assets		**24.29**
Current assets		
(a) Financial assets		
(i) Cash and Cash equivalents	4	10.52
(b) Current Tax assets (net)	5	0.12
(c) Other current assets	6	3.96
Total current assets		**14.60**
Total assets		**38.89**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	7	1.00
(b) Other equity	8	29.70
Total equity		**30.70**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	9	
a total outstanding dues of micro enterprises and small enterprises		-
b total outstanding dues of creditors other than micro enterprises and small enterprises		7.60
(b) Other current liabilities	10	0.59
Total current liabilities		**8.19**
Total liabilities		**8.19**
Total equity and liabilities		**38.89**

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No : 101895W

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : July 20, 2021

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

ASTRAL FOUNDATION AHMEDABAD

Jagruti S. Engineer

Sandesh P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : July 20, 2021

Jagruti S. Engineer
Director
DIN : 00067276

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD FROM FEBRUARY 18 , 2020 TO MARCH 31, 2021

(₹ in Lacs)

Particulars	Notes	Period ended March 31, 2021
INCOME		
Grant Income		157.09
Other income	11	0.06
Total		**157.15**
EXPENDITURE		
Activities against grant receipt	12	127.13
Depreciation	3	0.03
General Administrative Expenses	13	0.30
Total		**127.46**
Surplus/(Deficit)		**29.70**

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No : 101895W

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : July 20, 2021

For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : July 20, 2021

Jagruti S. Engineer

Jagruti S. Engineer
Director
DIN : 00067276

ASTRAL FOUNDATION AHMEDABAD

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM FEBRUARY 18, 2020 TO MARCH 31, 2021

(₹ in Lacs)

Sr No.	Particulars	Period ended March 31, 2021
A	**Cash flows from operating activities**	
	Surplus/(Deficit)	29.70
	Adjustments for :	
	Depreciation expense	0.03
	Interest Income	(0.06)
	Operating profit before Working Capital Changes	29.67
	Changes in working capital :	
	Other Current assets	(3.96)
	Trade and other payables	8.19
	Cash generated from operations	33.90
	Income taxes paid	(0.12)
	Net cash generated from operating activities [A]	33.78
B	**Cash flows from investing activities**	
	Purchase of Property, plant and Equipment	(24.32)
	Interest Received	0.06
	Net Cash flow used in Investing Activities [B]	(24.26)
C	**Cash flow from Financing Activities**	
	Proceeds from issue of Equity Shares	1.00
	Net Cash flow used in Financing Activities [C]	1.00
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	10.52
	Cash and cash equivalents at the beginning of the period	-
	Cash and Cash Equivalents at the end of the period (Note 4)	10.52
	Components of Cash and cash equivalent	
	Cash in hand	-
	Balances with banks	10.52
		10.52

Notes :

1. The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
2. In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the surplus / (deficit) for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No : 101895W

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : July 20, 2021

For and on behalf of the Board of Directors of Astral Foundation
CIN : U85300GJ2020NPL112779

ASTRAL FOUNDATION AHMEDABAD

Sandeep P. Engineer
Director
DIN : 00067112

Jagruti S. Engineer
Jagruti S. Engineer
Director
DIN : 00067276

Place : Ahmedabad
Date : July 20, 2021

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION

[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

a Equity share capital (Note 7)

(₹ in Lacs)

Particulars	Amount
Balance as at February 18 , 2020	-
Add: Issue of equity share capital	1.00
Balance as at March 31, 2021	**1.00**

b Other Equity (Note 8)

(₹ in Lacs)

Particulars	Other equity
	Retained earnings
Balance as at February 18, 2020	-
Transfer from Income and Expenditure Account	29.70
Balance as at March 31, 2021	**29.70**

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No : 101895W

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : July 20, 2021

For and on behalf of the Board of Directors of Astral Foundation
CIN : U85300GJ2020NPL112779

ASTRAL FOUNDATION AHMEDABAD

Jagruti S. Engineer

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : July 20, 2021

Jagruti S. Engineer
Director
DIN : 00067276

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

1 COMPANY INFORMATION

Astral Foundation ("the company") has been incorporated under Section 8 of the Companies Act, 2013 limited by shares. The company undertakes activities which directly or indirectly have positive impact on improvement of the quality of life of people, through initiatives of social, economic, educational, environmental, health and cultural advancement as prescribed by the Central/State and Local Governments as Corporate Social Responsibility (CSR). The financial Statements are presented in Indian Rupee(INR) which is also the functional currency of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, , and relevant amendment rules issued thereafter read with Section 133 of the Companies Act, 2013, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) . All accounting policies are consistently applied;

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest lacs.

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.

b Use of Estimates

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c Revenue Recognition

i Revenue from Donations and Grants

Renenue form Donations/grants are recognised upon compliance with significant conditions, if any, and where it is resonable to expect ultimate collection. Amounts received with a specific direction from donors that such amounts shall form part of the corpus of the foundation are credited as Corpus fund in the Balance sheet.

ii Interest Income/Income from Investments

Interest Income is recognised on a time proportion basis taking in to account outstanding and effective interest rate applicable.

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION AHMEDABAD

d Taxation

Provision for current tax has not been made in the books of accounts in view of the exemption of the income of the company under Section 11 read with Section 2(15) of the Income Tax Act, 1961.

e Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/ outflow of economic.benefits/ loss is not probable.

f Financial Instrument

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Income and expenditure) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Income and expenditure are recognised immediately in the statement of Income and expenditure.

g Financial asset

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Income and Expenditure) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Income and Expenditure are recognised immediately in the statement of Income and Expenditure.

G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

FOUNDATION AHMEDABAD

i Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these 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.

ii Financial assets at fair value through Profit and Loss (Income and expenditure)

Financial assets are measured at fair value through income and expenditure unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through statemement of Income and expenditure are immediately recognised in statement of Income and expenditure.

iii Impairment of Financial assets

The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial

h Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

i Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

ii Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements 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.

i Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

M/s. G... CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION AHMEDABAD

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

j Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

Properties in course of construction for production, supply or administration purposes are carried at cost, less any recognised impairment loss. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

k Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment other than land and properties under construction are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

l Earning per Share

Earnings per share is required to be computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. However, the company being non-profit organisation licensed to operate under Section 8 of the Companies Act, 2013, the object of the Company is not to earn profit and in the event of liquidation, the remaining assets of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of this Company, hence, Earning Per Share is not calculated.

M/S. G.K.C. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION

[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Sr. No.	Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
		As at February 18, 2020	Additions	Disposals	As at March 31, 2021	As at February 18, 2020	For the Year	Disposals	As at March 31, 2021	As at March 31, 2021
A.	TANGIBLE ASSETS									
1	Vehicles	-	24.32	-	24.32	-	0.03	-	0.03	24.29
	Total	-	**24.32**	-	**24.32**	-	**0.03**	-	**0.03**	**24.29**

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION AHMEDABAD

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

4 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2021
Balances with Banks in saving accounts	10.52
Total	**10.52**

5 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2021
Current	
Taxes receivables	0.12
Total	**0.12**

6 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2021
Current	
Advances to Suppliers	3.96
Total	**3.96**

7 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2021
Authorised Share Capital	
150,000 Equity Shares of Rs.10/- each	15.00
	15.00
Issued, Subscribed & Fully Paid Share Capital	
10,000 Equity Shares of Rs.10/- each fully paid up	1.00
Total	**1.00**

(a) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is eligible for one vote per share held. In the event of liquidation, the remaining assets of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of the Company, to be determined by the member of the Company.

(b) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	No. of Shares	(₹ in Lacs)
Balance as at February 18, 2020	-	-
Add: Issue of equity share capital	10,000.00	1.00
Balance as at March 31, 2021	**10,000.00**	**1.00**

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION AHMEDABAD

... Continued..

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

7 EQUITY SHARE CAPITAL ... *Continued..*

(d) Details of share held by each shareholder holding more than 5% shares :

Name of Shareholders		**As at March 31, 2021**
Astral Limited (Formerly known as Astral Poly technik Limited)		
	No. of Shares	7,500
	% of Shares Held	75%
Resinova Chemie Limited		
	No. of Shares	2,500
	% of Shares Held	25%

8 OTHER EQUITY

(₹ in Lacs)

Particulars	**As at March 31, 2021**
Retained earnings	
Balance at the beginning of the period	-
Add : Excess of income over expenditure for the period ended March 31, 2021	29.70
Balance at the end of the period	**29.70**
Total	**29.70**

9 TRADE PAYABLES

(₹ in Lacs)

Particulars	**As at March 31, 2021**
Current	
a total outstanding dues of micro enterprises and small enterprises (Note 17)	-
b total outstanding dues of creditors other than micro enterprises and small enterprises	7.60
Total	**7.60**

10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	**As at March 31, 2021**
Statutory dues	0.59
Total	**0.59**

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

11 OTHER INCOME

(₹ in Lacs)

Particulars	Period ended March 31, 2021
Interest Income :	
From Banks	0.06
Total	**0.06**

12 ACTIVITIES AGAINST GRANT RECEIPT

(₹ in Lacs)

Particulars	Period ended March 31, 2021
Activities against grant receipt	127.13
Total	**127.13**

Details of activities against grant receipt : (₹ in Lacs)

Particulars	Period ended March 31, 2021
a. **DRINKING WATER**	
i Installation of piped drinking water supply	11.75
Total	**11.75**
b. **HEALTH**	
i Mobile Medical Vans and ambulances	27.20
ii Health Infrastructure	4.75
iii Health Camps	8.02
Total	**39.97**
c. **SKILL DEVELOPMENT**	
i Skill Development Programs	1.07
Total	**1.07**
d. **EDUCATION**	
i Education Infrastructure	50.66
ii Educational Scholarship	23.68
Total	**74.34**

13 GENERAL ADMINISTRATIVE EXPENSES

(₹ in Lacs)

Particulars	Period ended March 31, 2021
Bank Charges *	0.00
Payment to Auditors	
Audit Fees	0.30
Total	**0.30**

* Figures nullified in conversion of ₹ in Lakhs.

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

ASTRAL FOUNDATION AHMEDABAD

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

14 Related party Disclosures :

(a) List of related parties

Relationship

Holding Company	Astral Limited (Formerly known as Astral Poly Technik Limited)
Commonly Controlled Enterprise	Resinova Chemie Limited
Key Management Personnel (KMP)	Mr. Sandeep Engineer Mrs. Jagruti Engineer

(b) Summary of related party transactions

(₹ in Lacs)

Sr. No.	Particulars	Holding Company	Commonly Controlled Enterprise
		March 31, 2021	March 31, 2021
Transactions during the period			
i	**Equity Shares Issued**		
	Astral Limited	0.75	-
	Resinova Chemie Limited	-	0.25
ii	**Grant Received**		
	Astral Limited	124.30	-
	Resinova Chemie Limited	-	32.79
Balance at the end of the period		Nil	Nil

15 Capital management

(a) The Company's capital management objectives are to ensure Company's ability to continue as a going concern as well to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from grants received.

16 Fair value measurement

(a) **The carrying value and fair value of financial instruments by categories as of March 31 , 2021 is as follows :**

(₹ in Lacs)

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through Profit and Loss (Statement of Income and expenditure)
Financial assets			
Cash and cash equivalents	10.52	-	-
	10.52	-	-

(b) **Financial Risk objective and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements i.e interest rate risk, market risk, credit risk and liquidity risk The Company's senior management oversees the management of these risks.

(a) **Credit Risk**

The company does not have any trade receivables at the end of the financial year.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

(i) Maturities of

(₹ in Lacs)

As at March 31, 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years
Non-derivatives				
Trade payable	7.60	-	-	-

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term borrowings with floating interest rate and carrying short term borrowings with floating interest rate. The company's investment in fixed deposit deposit carries fixed interest rate.

17 Due to Micro and Small Enterprises

(₹ in Lacs)

Sr. No.	Particulars	2020-2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	NIL

Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

18 The company is registered under section 8 of The companies Act, 2013, and granted registration under Section 12AA and 80G of the Income Tax Act, 1961, Company expects to receive grants/donations from Astral limited and its group companies as part of their corporate Social Responsibility plan to help society and the community. There is no impact of COVID 19 on the activities of the company.

M/s. G. K. Choksi & Co. Chartered Accountants

Astral Foundation Ahmedabad

ASTRAL FOUNDATION

[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

19 This being the first year of incorporation of the Section 8 Company, comparative figures are not given. Financial statements are prepared for the period February 18, 2020 to March 31, 2021.

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No : 101895W

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : July 20, 2021

For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : July 20, 2021

Jagruti S. Engineer
Director
DIN : 00067276