

ASTRAL BIOCHEM PRIVATE
LIMITED

Financial Statements

For FY 2018 -19

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 2019, 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).

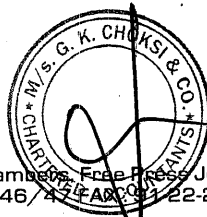
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, 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.

Other Matter

The Ind AS financial statements of the Company for the corresponding year ended March 31, 2018 included in these financial statements were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 23rd May, 2018.



708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 021.
Dial : 91-22-66324446 / 477 FAX : 91-22-22882133 Email : mumbai@gkcco.com

207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001
Dial : 91-11-43717773-74; Email : info@gkcco.com

Branches :

'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91-2697-224108

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 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.

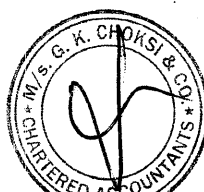
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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 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

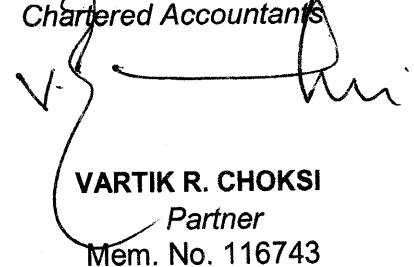
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, as in our opinion and according to the information and explanations given to us, the said order is not applicable 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.



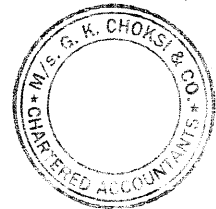
- (f) The Ministry of Corporate Affairs vide its notification bearing no. G.S.R. 583(6) dated 13th June 2017, amended the provision of section 143(3) of the Companies Act, 2013. In accordance with the same reporting requirement related to adequacy and operating effectiveness of the internal financial 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 R. CHOKSI
Partner
Mem. No. 116743

Place : Ahmedabad
Date : **16 MAY 2019**



ASTRAL BIOCHEM PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lacs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non Current Assets			
a Financial Assets			
i. Loans	3	0.50	0.70
b Deferred Tax Assets (Net)	4	6.92	6.92
Total Non Current Assets		7.42	7.62
Current Assets			
a Financial Assets			
i. Cash and Cash Equivalents	5	2.77	4.42
ii. Other Financial Assets	3	-	0.25
b Current tax Assets (Net)	6	6.21	6.21
c Other Current Assets	7	0.77	0.77
Total Current Assets		9.75	11.65
Total Assets		17.17	19.27
EQUITY AND LIABILITIES			
a Equity Share Capital	8	5.00	5.00
b Other Equity	9	(101.74)	(101.51)
Total Equity		(96.74)	(96.51)
LIABILITIES			
Current Liabilities			
a Financial Liabilities			
i. Borrowings	10	106.60	106.60
ii. Trade Payables	11	1.10	0.91
iii. Other Financial Liabilities	12	6.21	6.21
b Other Current Liabilities	13	-	2.06
Total Current Liabilities		113.91	115.77
Total Liabilities		113.91	115.77
Total Equity & Liabilities		17.17	19.27

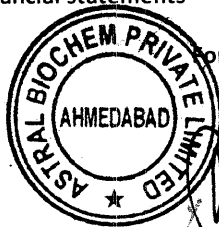
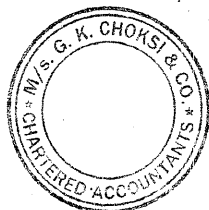
See accompanying notes to the financial statements

As per our report of even date

For G. K. Choksi & Co.

Firm Registration No.: 0101895W
Chartered Accountants

CA Vartik R. Choksi
Partner
Membership No.: 116743
Place : Ahmedabad
Date : May 16, 2019



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

(Sandeep P. Engineer)
Director
DIN : 00067112
Place : Ahmedabad
Date : May 16, 2019

(Kairav S. Engineer)
Director
DIN : 03383621

ASTRAL BIOCHEM PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2019

(Rs. In Lacs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income	14	-	32.18
Total Income		-	32.18
Expenses			
Finance cost	15	-	19.64
Other Expenses	16	0.23	12.55
Total Expenses		0.23	32.19
Profit/(Loss) Before Tax		(0.23)	(0.01)
Tax Expense			
Current Tax		-	-
Defererd Tax		-	-
Profit/(Loss) For the Year		(0.23)	(0.01)
Other comprehensive income		-	-
Total comprehensive income for the year		(0.23)	(0.01)
Earnings Per Share: Face Value of Rs. 10/- each	17		
Basic		(0.46)	(0.02)
Diluted		(0.46)	(0.02)

See accompanying notes to the financial statements.

As per our report of even date

For G. K. Choksi & Co.

Firm Registration No.: 0101895W

Chartered Accountants

CA Vartik R. Choksi

Partner

Membership No.: 116743

Place : Ahmedabad

Date : May 16, 2019



For and on behalf of the Board of Directors of Astral

Biochem Private Limited

CIN:U01407GJ2008PTC054506

(Sandeep P. Engineer)

Director

DIN : 00067112

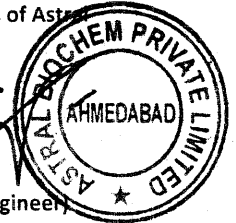
Place : Ahmedabad

Date : May 16, 2019

(Vikram S. Engineer)

Director

DIN : 03383621



ASTRAL BIO CHEM PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity share capital (Note 8) (Rs in lacs)

Particulars	Amount
Balance at April 1, 2017	5.00
Add: movement during the year	-
Balance at March 31, 2018	5.00
Add: movement during the year	-
Balance at March 31, 2019	5.00

B Other Equity (Note 9) (Rs in lacs)

Particulars	Other Equity		Total Other Equity
	Capital Reserve	Retained earnings	
Balance at April 1, 2017	43.39	(144.89)	(101.50)
Addition/Deletion during the year	-	-	-
Profit for the year	-	(0.01)	(0.01)
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	-	(0.01)	(0.01)
Balance at March 31, 2018	43.39	(144.90)	(101.51)
Profit for the year	-	(0.23)	(0.23)
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year	-	(0.23)	(0.23)
Balance at March 31, 2019	43.39	(145.13)	(101.74)

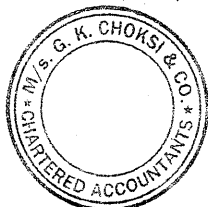
See accompanying notes to the financial statements

As per our report of even date
For G. K. Choksi & Co.

Firm Registration No. 0101895W
Chartered Accountants

CA Vartik R. Choksi
Partner

Membership No.: 116743
Place : Ahmedabad
Date : May 16, 2019



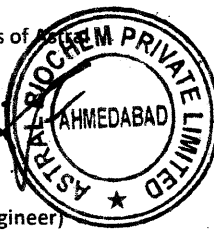
For and on behalf of the Board of Directors of
Biochem Private Limited
CIN: U01407GJ2008PTC054506

(Sandeep P. Engineer)
Director

DIN : 00067112
Place : Ahmedabad
Date : May 16, 2019

(Kailash S. Engineer)
Director

DIN : 03383621



ASTRAL BIOCHEM PRIVATE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31,2019

(Rs. In Lacs)

Sr No.	Particulars	Year ended March 31,2019	Year ended March 31,2018
A.	Cash flow from Operating Activities		
	Profit Before Tax	(0.23)	(0.01)
	Changes in Working Capital:		
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(1.87)	(0.26)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	0.45	(4.96)
	Cash generated from operations	(1.42)	(5.23)
	Net Cash generated from Operating Activities (A)	(1.65)	(5.23)
B.	Cash flow from Investing Activities:		
	Sale of Fixed Assets	-	441.71
	Capital work-in-progress	-	127.29
	Net Cash Flow used in Investing Activities (B)	-	569.01
C.	Cash Flow from Financing Activities :		
	Repayment from Long-term borrowings	-	(166.48)
	Repayment from Short-term borrowings	-	(399.08)
	Net Cash flow from Financing Activities (C)	-	(565.55)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(1.65)	(1.77)
	Cash and cash equivalents at the beginning of the year (Note 6)	4.42	6.19
	Cash and Cash Equivalents at the end of the year (Note 6)	2.77	4.42

Changes in liabilities arising from financing activities

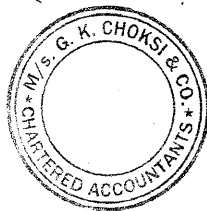
Particulars	Non-current borrowings	Current borrowings	Total
Balance as at 31 March 2018	-	106.60	106.60
Cash flows	-	-	-
Balance as at 31 March 2019	-	106.60	106.60

See accompanying notes to the financial statements

As per our report of even date
For G. K. Choksi & Co.

Firm Registration No.: 0101895W
Chartered Accountants

CA Vartik R. Choksi
Partner
Membership No.: 116743
Place : Ahmedabad
Date : May 16, 2019

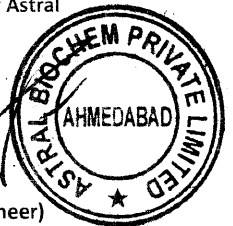


For and on behalf of the Board of Directors of Astral
Biochem Private Limited

CIN:U01407GJ2008PTC054506

(Sandeep P. Engineer)
Director
DIN : 00067112
Place : Ahmedabad
Date : May 16, 2019

(Kailash S. Engineer)
Director
DIN : 03383621



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 May 16, 2019.

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.

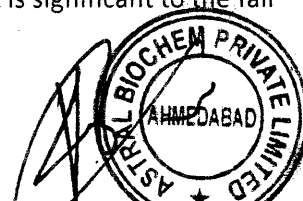
The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- 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 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.



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) Property, plant and equipment

Land is carried at historical cost. 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 the course of construction for production, supply or administration purposes are carried at cost, less any recognized 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.

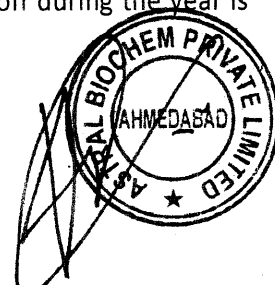
All items of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized 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 derecognized 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 recognized in the statement of profit and loss when the asset is derecognized.

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.

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

g) Leasing

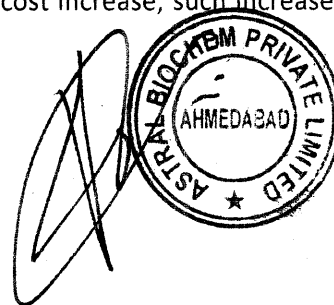
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognized as an asset of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as the finance lease obligation.

Lease payments are apportioned between the finance expenses and reduction of the lease obligation so as to achieve the constant rate of return on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Rental expense from operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Company as a lessor

Rental income from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

h) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of 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 recognized in the statement of profit and loss in the period in which they are incurred.

i) 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.

j) 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

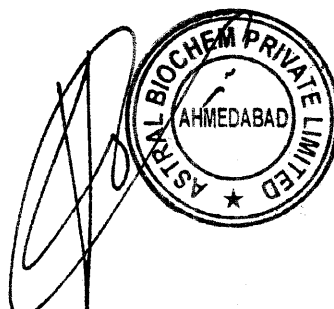
k) Provisions, Contingent Liabilities, Contingent Assets and Commitments

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.

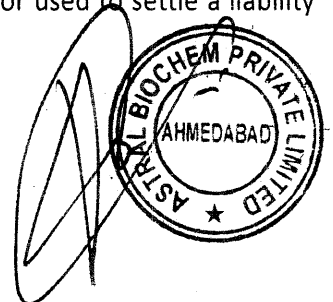
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS



ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

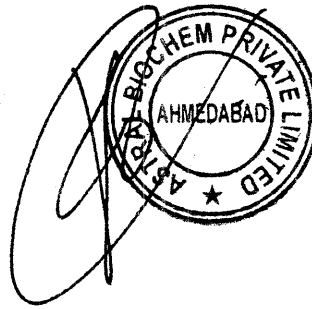
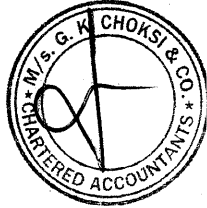
All other assets are classified as non-current.

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, 2019

3 LOANS

(Rs. In lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Secured and Considered Good		
Security Deposits	0.50	0.50
Other Deposits	-	0.20
Total	0.50	0.70
Current		
Refund Receivable	-	0.25
Total	-	0.25

4 DEFERRED TAX ASSETS (NET)

(Rs. In lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Brought Forward Loss	6.92	6.92
Total	6.92	6.92

5 CASH AND CASH EQUIVALENTS

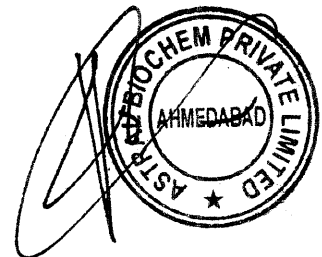
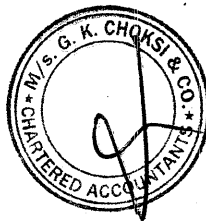
(Rs. In lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.13	0.15
Balances with banks	2.64	4.27
Total	2.77	4.42

6 CURRENT TAX ASSETS (NET)

(Rs. In lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
TDS receivable	6.21	6.21
Total	6.21	6.21

7 OTHER CURRENT ASSETS

(Rs. In lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Government Authorities	0.77	0.77
	0.77	0.77



8 EQUITY SHARE CAPITAL

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
Equity Share Capital		
50,000 Equity Shares (P.Y. 50,000 Equity Shares) of Rs.10/-	5.00	5.00
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital		
50,000 Equity Shares (P.Y. 50,000 Equity Shares) of Rs.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 Rs. 10/- each. Each Share holder is eligible for one vote per share.

b) Reconciliation of number of shares outstanding :

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019 and as at March 31, 2018 is set out below.

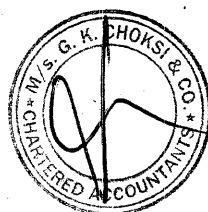
Name of Shareholders	As at March 31, 2019	As at March 31, 2018
Astral Poly Technik Limited		
No. of Shares	50,000	50,000
- % of Shares Held	100%	100%
Amount (in lacs)	5.00	5.00

d) 50,000 (50,000 as at 31st March, 2018) equity shares of Rs. 10/- fully paid up are held by Parent Company - Astral Poly Technik Limited jointly with nominees.

9 OTHER EQUITY

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
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	(144.90)	(144.89)
Add: Profit/(Loss) for the Year	(0.23)	(0.01)
Balance at the end of the year	(145.13)	(144.90)
Total	(101.74)	(101.51)



10 BORROWINGS

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured		
Loans and Advances from Related Parties* (Note 18)		
Astral Poly Technik Limited - The Holding Company	106.60	106.60
Total	106.60	106.60

* The loan is repayable on demand.

11 TRADE PAYABLES

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other than Acceptances *		
Trade Payables for Service Received	1.10	0.91
Total	1.10	0.91

* There are no dues to Micro and Small Enterprises as on March 31, 2019 (NIL as on March 31, 2018). 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.

12 OTHER FINANCIAL LIABILITIES

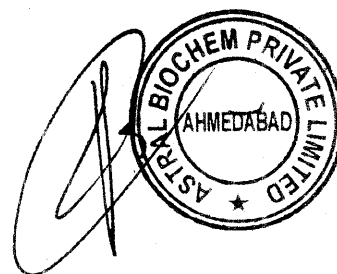
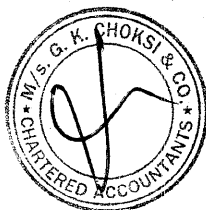
(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Others (Payable towards Excess Amount Received)	6.21	6.21
Total	6.21	6.21

13 OTHER CURRENT LIABILITIES

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Liabilities		
Statutory remittances	-	2.06
Total	-	2.06



14 OTHER INCOME

(Rs. In lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit on sale of Fixed Assets	-	32.18
Total	-	32.18

15 FINANCE COST

(Rs. In lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bank Charges	-	0.02
Interest Expenses * (Note 18)	-	19.62
Total	-	19.64

* Interest Expense of Rs. Nil (P.Y. Rs. 19.61 lacs) pertains to the Related Party - Astral Poly Technik Limited

16 OTHER EXPENSES

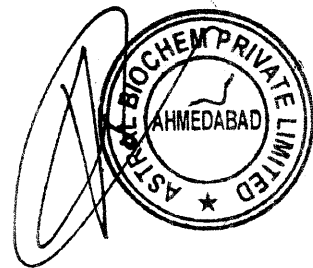
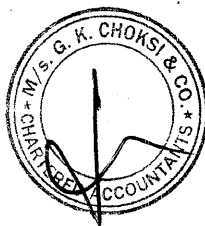
(Rs. In lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power Expense	-	0.48
Rent Expenses	-	7.57
Payment to Auditors *	0.20	1.00
Professional Fees	-	1.21
Legal Expenses	0.03	0.06
Security Service Charges	-	2.22
Other Expenses	-	0.01
Total	0.23	12.55

*** Payment to Auditors:**

(Rs. In lacs)

Particulars	Year ended March 31,2019	Year ended March 31,2018
For Statutory Audit	0.20	1.00
For Other Services	-	-
	0.20	1.00



ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. EARNINGS PER SHARE:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit/ (Loss) for the period attributable to the owners of the Company (Rs. In Lacs)	(0.23)	(0.01)
Weighted average number of equity shares outstanding	50,000	50,000
Basic & Diluted Earnings Per Share (In Rs.) (Face Value of Rs. 10/- each)	(0.46)	(0.02)

18. 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
c.	Key Management Personnel	Mr. Sandeep P. Engineer Mr. Kairav S. Engineer Mr. Saumya S. Engineer
e.	Relatives of Key Management Personnel	Mrs. Jagruti S. Engineer Mrs. Hansa Engineer

2. Details of related party transactions during the year:

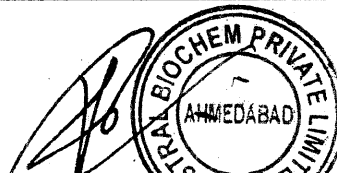
(Rs. In Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1. Unsecured Loan Taken		
Astral Poly Technik Limited	-	38.20
2. Interest on Loan Taken		
Astral Poly Technik Limited	-	19.61
3. Unsecured Loan Paid		
Astral Poly Technik Limited	-	621.40
4. Sale of Assets		
Resinova Chemie Limited	-	621.40
5. Reimbursement of Expense		
Astral Poly Technik Limited	0.02	-
6. Paid for Reimbursement of Expense		
Astral Poly Technik Limited	0.02	-

3. Details of related party transactions outstanding balances:

(Rs. In Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Unsecured Loans		
Astral Poly Technik Limited	106.60	106.60
2. Payables		
Resinova Chemie Limited	6.21	6.21



19 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 10 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

(Rs. in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Debt (note i)	106.60	106.60
Less : Cash and cash equivalents	2.77	4.42
Net debt	103.83	102.18
Equity share capital	5.00	5.00
Other Equity	(101.74)	(101.51)
Total equity	(96.74)	(96.51)
Net debt to equity ratio	(1.07)	(1.06)

- i Debt is defined as short-term borrowings, as described in notes 10. Total debt is due to the holding company i.e. Astral Poly technik Limited.

2 Category-wise classification of financial instruments

(Rs. in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Financial assets		
Measured at amortised cost	2.77	4.42
a Cash and cash equivalents (Note 5)	0.50	0.95
b Financial assets (Note 3)		
Total	3.27	5.37
Financial liabilities		
Measured at amortised cost	106.60	106.60
a Borrowings (Note 10)	7.31	7.12
b Financial liabilities (Note 11)		
Total	113.91	113.72

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.

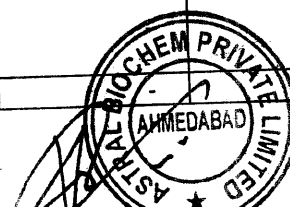
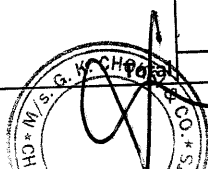
MANAGEMENT OF LIQUIDITY RISK

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.

(Rs. in Lacs)

Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2019				
Non-derivative financial liabilities				
Borrowings	106.60	106.60	-	106.60
Financial Liabilities	7.31	7.31	-	7.31
Total	113.91	113.91	-	113.91
As at March 31, 2018				
Non-derivative financial liabilities				
Borrowings	106.60	106.60	-	106.60
Financial Liabilities	7.12	7.12	-	7.12
Total	113.72	113.72	-	113.72



ASTRAL BIOCHEM PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

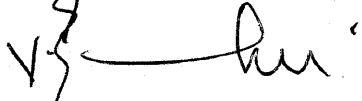
20. The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.
21. The account balances existing at the beginning of the period have been relied upon the audited financial statements audited by the previous auditor.

As Per our report of even date

For G. K. Choksi & Co.

Firm Registration No.: 0101895W

Chartered Accountants



CA Vartik R. Choksi

Partner

Membership No.:116743

Place: Ahmedabad

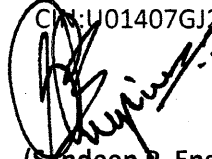
Date: May 16, 2019



For and on behalf of Board of Directors of

Astral Biochem Private Limited

CIN:U01407GJ2008PTC054506



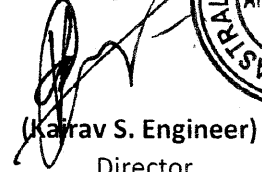
(Sandeep R. Engineer)

Director

DIN: 00067112

Place: Ahmedabad

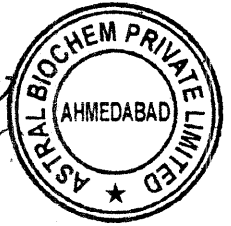
Date: May 16, 2019



(Karav S. Engineer)

Director

DIN: 03383621



RESINOVA CHEMIE LIMITED

Financial Statements

For FY 2018 -19

INDEPENDENT AUDITOR'S REPORT

To the Members of Resinova Chemie Limited

Report on the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Resinova Chemie Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 which are included the financial information for the year ended on that date.

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 ("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, 2019, 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 Ind AS 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 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 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 2(v) 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 (i.e., 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 with respect to the following sections, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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.

Management's Responsibility for the 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, cash flows and changes in equity of the Company in accordance with 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS 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 Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS 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 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 Act, 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purpose 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, 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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, 2019 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; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the 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; and
 - 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

Place of Signature: Ahmedabad

Date: May 20, 2019



INDEPENDENT AUDITOR'S REPORT

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, 2019

- (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, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(ii) (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, there are no loans, investments, guarantees, and securities granted in respect of which provision of sections 185 and 186 of the Act are applicable and hence not commented upon.
- (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 Lakhs)	Period to which amounts relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	2.00	FY 2016-17 & FY 2017-18	Assistant Commissioner Central Excise.
West Bengal Sales Tax Act	Sales Tax	2.82	FY 2005-06	Tax Tribunal
West Bengal Sales Tax Act	Sales Tax	5.66	FY 2006-07 & FY 2014-15	Tax Board
West Bengal Sales Tax Act	Entry Tax	53.29	FY 2014-15	High Court (West Bengal)
Provident Fund Act, 1952	Provident Fund	2.95	FY 2009-10	Assistant Provident Fund Commissioner
UP Stamp Act	Stamp Duty	4.64	FY 2007-08	High Court (Allahabad)

(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 utilized the monies raised by way of term loans and debt instruments for the purposes for which they were raised. The company has not raised any money by way of initial public offer / further public offer 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 the Ind AS financial statements, as required by the applicable accounting standards.
- (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

Place of Signature: Ahmedabad

Date: May 20, 2019



Annexure 2 to the Independent Auditor's Report of Even Date on the Ind AS 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 over financial reporting of Resinova Chemie Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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. 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 over financial reporting with reference to these Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 internal financial controls over financial reporting with reference to these Ind AS financial statements.



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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 Over Financial Reporting With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, 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.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**

Partner

Membership Number: 110759

Place of Signature: Ahmedabad

Date: May 20, 2019



RESINOVA CHEMIE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lacs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (A)	14,211.72	12,485.80
(b) Capital work-in-progress		322.84	847.23
(c) Goodwill	3 (B)	9,713.21	13,390.93
(d) Other intangible assets	3 (B)	63.13	82.04
(e) Financial assets			
(i) Loans	4	24.26	18.68
(ii) Other financial assets	5	93.59	66.90
(f) Other non-current assets	6	135.27	67.04
Total non-current assets		24,564.02	26,958.62
Current assets			
(a) Inventories	7	7,048.69	7,029.70
(b) Financial assets			
(i) Trade receivables	8	7,445.10	6,128.10
(ii) Cash and cash equivalents	9	2,829.79	386.55
(iii) Other Balances with Banks	10	13.35	13.45
(iv) Loans	4	27.30	19.06
(v) Other financial assets	5	20.63	30.48
(c) Current tax assets	11	269.45	528.77
(d) Other current assets	6	393.97	758.02
Total current assets		18,048.28	14,894.13
Total assets		42,612.30	41,852.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	29.39	29.39
(b) Other equity	13	33,769.02	32,362.23
Total equity		33,798.41	32,391.62
Liabilities			
Non-current liabilities			
(a) Financial liabilities - Borrowings	14	2,358.37	2,596.34
(b) Provisions	15	154.25	113.64
(c) Deferred tax liabilities (Net)	16	614.07	332.76
Total non-current liabilities		3,126.69	3,042.74
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
a total outstanding dues of micro enterprises and small enterprises		-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises		4,023.56	5,145.37
(ii) Other financial liabilities	18	628.97	674.43
(b) Other current liabilities	19	801.63	334.48
(c) Provisions	15	115.55	85.80
(d) Current tax liabilities (Net)	20	117.49	178.31
Total current liabilities		5,687.20	6,418.39
Total liabilities		8,813.89	9,461.13
Total equity and liabilities		42,612.30	41,852.75

See accompanying notes to the financial statements

As per report of even date

For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003.

Chartered Accountants

Per Anil Jobanputra

Partner

Membership No.: 110759

Place : Ahmedabad

Date : May 20, 2019

For and on behalf of the Board of Directors

of Resinova Chemie Limited

CIN: U24295GJ2009PLC058120

(Sandeep P. Engineer) (Kairav S. Engineer)

Managing Director

Director

DIN : 00067112

DIN : 03383621

Place : Ahmedabad

Date : May 20, 2019

RESINOVA CHEMIE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019

(Rs. In Lacs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	21	43,700.49	39,074.18
Other income	22	442.99	194.69
Total		44,143.48	39,268.87
Expenses			
Cost of materials consumed	23	27,957.23	23,544.58
Purchase of stock-in-trade	24	30.45	25.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	48.29	255.76
Employee benefits expense	26	3,342.40	2,654.10
Finance costs	27	105.69	271.52
Depreciation and amortisation expense	28	4,470.50	4,195.89
Excise duty on sale of goods		-	1,211.01
Other expenses	29	6,016.15	4,254.91
Total		41,970.71	36,413.20
Profit before tax		2,172.77	2,855.67
Tax expense	30		
a) Current tax		482.70	610.87
b) Mat Credit Entitlement		(467.70)	(628.45)
c) Deferred tax		749.01	972.84
Total Tax expense		764.01	955.26
Profit for the year		1,408.76	1,900.41
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements (gain)/loss on defined benefit plans		(1.97)	8.91
Total other comprehensive income		(1.97)	8.91
Total comprehensive income for the year		1,406.79	1,909.32
Earnings per equity share	31		
- Basic (in Rs.)		479.34	646.63
- Diluted (in Rs.)		479.34	646.63

See accompanying notes to the financial statements

As per report of even date

For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

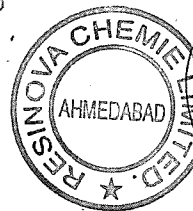
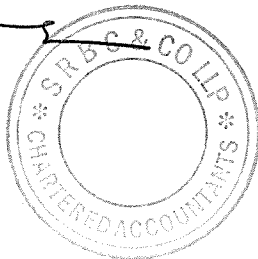
Per Anil Jobanputra

Partner

Membership No.: 110759

Place : Ahmedabad

Date : May 20, 2019



For and on behalf of the Board of Directors
of Resinova Chemie Limited

CIN: U24295GJ2009PLC058120

(Sandeep P. Engineer) (Karanv S. Engineer)

Managing Director

Director

DIN : 00067112

DIN : 03383621

Place : Ahmedabad

Date : May 20, 2019

RESINOVA CHEMIE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

		(Rs. In Lacs)	
Sr No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A.	Cash flow from Operating Activities		
	Profit before tax	2,172.77	2,855.67
	Adjustments for:		
	Depreciation and amortisation	4,470.50	4,195.89
	Bad Debts occurred	0.48	0.02
	Finance Costs	105.69	271.52
	Provision for doubtful debts	-	80.00
	(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	12.34	10.69
	Gain On sale of Current Investments	(21.10)	(3.87)
	Interest Income	(0.95)	(1.17)
	Net Unrealised foreign exchange loss/(gain)	(115.59)	68.98
	Operating profit before Working Capital Changes	6,624.14	7,477.73
	Changes in working capital:		
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(445.45)	657.40
	(Increase)/Decrease in Inventories	(18.99)	(738.80)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	(991.01)	(2,251.78)
	Cash generated from operations	5,168.69	5,144.55
	Income taxes paid	(284.22)	(433.98)
	Net Cash generated from Operating Activities (A)	4,884.47	4,710.57
B.	Cash flow from Investing Activities		
	Proceeds from Sale of property, plant and equipment	19.77	27.59
	Capital Expenditure on property, plant and equipment and intangible assets	(2,206.34)	(5,525.24)
	Gain on sale of Current Investments	21.10	3.87
	Interest received	0.13	0.21
	Loans received/(paid)	(13.82)	10.75
	Increase/(Decrease) in other balances with banks	0.10	(0.11)
	Net Cash Flow used in Investing Activities (B)	(2,179.06)	(5,482.93)
C.	Cash Flow from Financing Activities		
	Repayment of Short term Borrowings	-	(1,014.52)
	Repayment of Long term Borrowings	(160.00)	(40.00)
	Proceeds From Long Term Borrowing	-	2,321.34
	Finance Cost	(102.09)	(269.11)
	Net Cash flow used in Financing Activities (C)	(262.09)	997.71
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	2,443.32	225.35
	Cash and cash equivalents at the beginning of the year (Note 9)	386.55	161.15
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.08)	0.05
	Cash and Cash Equivalents at the end of the year (Note 9)	2,829.79	386.55

Changes in liabilities arising from financing activities

		(Rs. in lacs)	
Particulars	Non-current	Current	Total
Balance as at March 31, 2018	2,756.34	-	2,756.34
Cash flows	(237.97)	-	(237.97)
Balance as at March 31, 2019	2,518.37	-	2,518.37

See accompanying notes to the financial statements

As per report of even date

For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

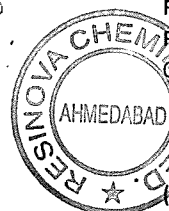
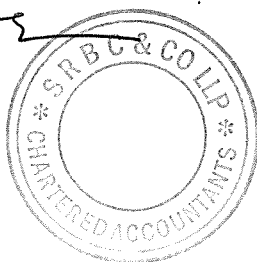
Per Anil Jobanputra

Partner

Membership No.: 110759

Place : Ahmedabad

Date : May 20, 2019



For and on behalf of the Board of Directors of

Resinova Chemie Limited

GINU24295GJ2009PLC058120

(Sandeep P. Engineer)

Managing Director

DIN : 00067112

Place : Ahmedabad

Date : May 20, 2019

(Kairav S. Engineer)

Director

DIN : 03383621

RESINOVA CHEMIE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity share capital (Note 12) (Rs. in Lacs)

Particulars	Amount
Balance at April 1, 2017	29.39
Add: movement during the year	-
Balance at March 31, 2018	29.39
Add: movement during the year	-
Balance at March 31, 2019	29.39

B Other Equity (Note 13) (Rs. in Lacs)

Particulars	Other Equity		Total Other Equity
	Securities premium reserve	Retained earnings	
Balance at April 1, 2017	30,477.12	(24.21)	30,452.91
Profit for the year	-	1,900.41	1,900.41
Other comprehensive income for the year, net of tax	-	8.91	8.91
Total comprehensive income for the year	-	1,909.32	1,909.32
Balance at March 31, 2018	30,477.12	1,885.11	32,362.23
Profit for the year	-	1,408.76	1,408.76
Other comprehensive income for the year, net of tax	-	(1.97)	(1.97)
Total comprehensive income for the year	-	1,406.79	1,406.79
Balance at March 31, 2019	30,477.12	3,291.90	33,769.02

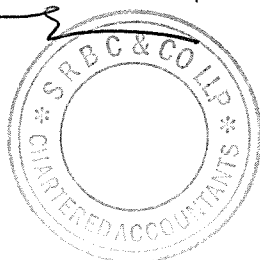
See accompanying notes to the financial statements

As per report of even date
For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants



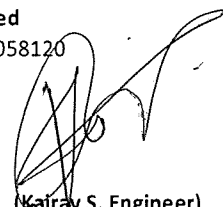
Per Anil Jobanputra
Partner
Membership No.: 110759
Place : Ahmedabad
Date : May 20, 2019



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



(Sandeep P. Engineer)
Managing Director
DIN : 00067112
Place : Ahmedabad
Date : May 20, 2019



(Kairav S. Engineer)
Director
DIN : 03383621

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW:-

Resinova Chemie Limited (RCL) is engaged in manufacturing of various types of Adhesives and is a Limited Company. The Company is Subsidiary of Astral Poly Technik Limited (APL), a listed Company.

The financial statements were approved for issue by the board of directors on May 20, 2019.

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 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:

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective April 1, 2017. Application of Ind AS 115 does not have any significant impact on retained earnings as at April 1, 2017 and financial results of the Company.

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.

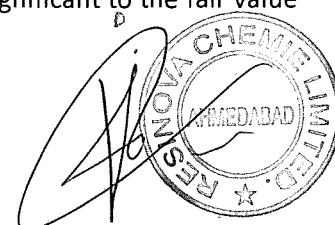
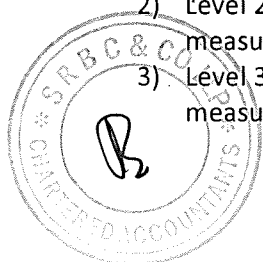
The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- 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 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 on weighted average basis 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. Cost includes all charges in bringing the goods to the point of sale, including receiving charges, octroi and other levies and transit insurance. 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

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) 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.

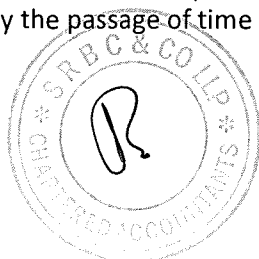
Variable consideration

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.

Contract balances

Trade receivables

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. Properties, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment, 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 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.

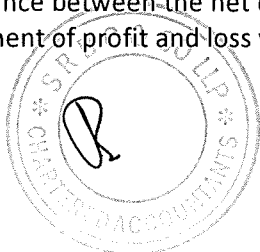
g) Intangible assets

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. 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) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as an asset of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as the finance lease obligation.

Lease payments are apportioned between the finance expenses and reduction of the lease obligation so as to achieve the constant rate of return on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Rental expense from operating lease is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

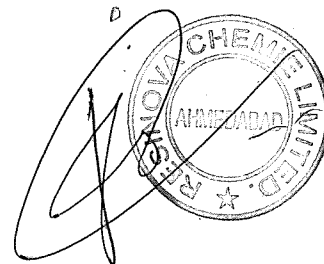
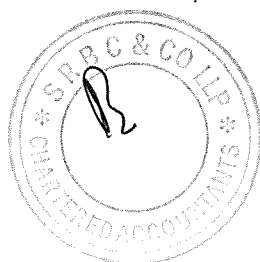
Company as a lessor

Rental income from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

i) Foreign Currency Transactions

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.



j) 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:

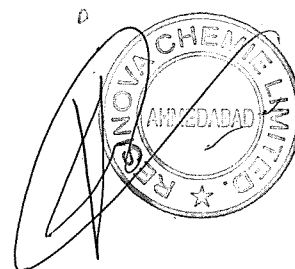
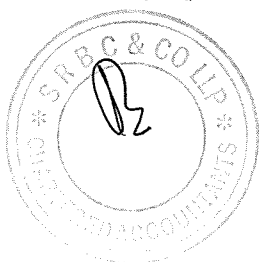
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end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

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.



k) 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.

l) 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.

m) Taxation

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

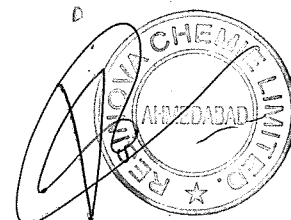
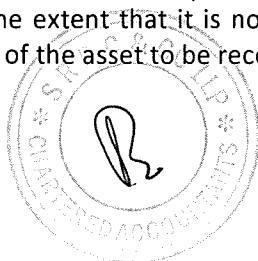
Current Tax

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 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.

Current and deferred tax for the year

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, in which case, the current and deferred tax are also recognised in other comprehensive income.

n) 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.

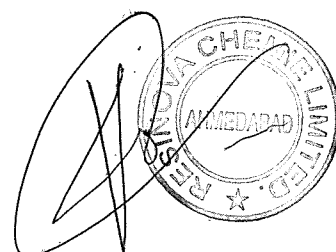
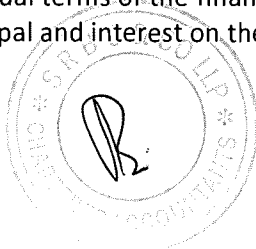
Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/ outflow of economic benefits/ loss are probable.

o) 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.

p) 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.

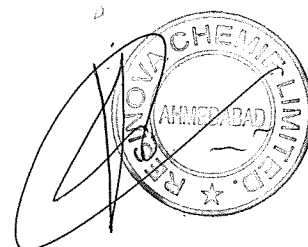
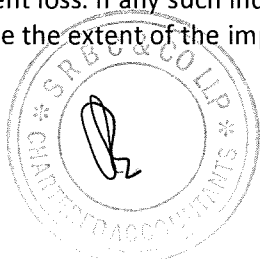
Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs.

q) 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.

r) 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:

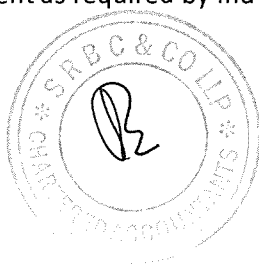
1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the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

All other liabilities are classified as non-current.

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

v) 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.



s) Critical accounting judgements and key sources of estimation uncertainty

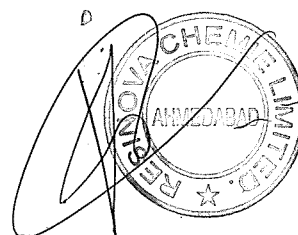
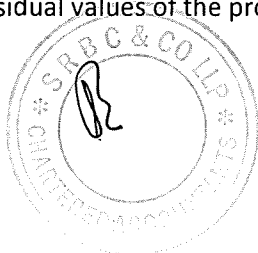
The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the 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.



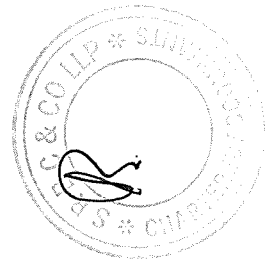
3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Rs. In Lacs)

S. No.	Assets	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION AND AMORTISATION			NET CARRYING AMOUNT		
		As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	For the Year	Disposals	As at March 31, 2019	As at March 31, 2018
A. TANGIBLE ASSETS										
a	Land	2,783.32 (1,761.86)	22.63 (1,021.46)	-	2,805.95 (2,783.32)	-	-	-	2,805.95 (2,783.32)	2,783.32 (1,761.86)
b	Buildings	2,458.83 (1,769.38)	769.46 (689.45)	-	3,228.29 (2,458.83)	183.97 (102.68)	121.13 (81.29)	-	2,923.19 (2,274.86)	2,274.86 (1,666.70)
c	Plant and Equipments	7,579.46 (3,905.45)	1,405.82 (3,695.89)	11.43 (21.88)	8,973.85 (7,579.46)	695.19 (364.92)	542.55 (333.14)	1.43 (2.87)	7,737.54 (6,884.27)	6,884.27 (3,540.53)
d	Furniture and Fixtures	515.47 (444.99)	246.92 (83.32)	15.94 (12.84)	746.45 (515.47)	114.05 (69.51)	62.48 (49.76)	4.56 (5.22)	574.48 (401.42)	401.42 (375.48)
e	Vehicles	80.34 (71.93)	17.16 (8.42)	20.27 (0.01)	77.23 (80.34)	22.87 (12.99)	9.67 (9.89)	12.09 (0.01)	56.78 (57.47)	57.47 (58.94)
f	Computers and Office Equipments	151.94 (116.21)	69.93 (37.54)	5.14 (1.81)	216.73 (151.94)	67.48 (40.87)	38.04 (27.92)	2.57 (1.31)	113.78 (84.46)	84.46 (75.34)
	Total	13,569.36 (8,069.82)	2,531.92 (5,536.08)	52.78 (36.54)	16,048.50 (13,569.36)	1,083.56 (590.97)	773.87 (502.00)	20.65 (9.41)	1,836.78 (1,083.56)	12,485.80 (7,355.43)
2. INTANGIBLE ASSETS										
a	Computer software	101.28 (5.29)	- (95.99)	-	101.28 (101.28)	19.24 (3.07)	18.91 (16.17)	-	63.13 (82.04)	82.04 (3.07)
b	Goodwill	24,424.08 (24,424.08)	-	-	24,424.08 (24,424.08)	11,033.15 (7,355.43)	3,677.72 (3,677.72)	-	9,713.21 (13,390.93)	13,390.93 (7,355.43)
	Total	24,525.36 (24,429.37)	- (95.99)	-	24,525.36 (24,525.36)	11,052.39 (7,358.50)	3,696.63 (3,693.89)	-	9,776.34 (13,472.97)	13,472.97 (7,358.50)

Notes :

- Building on lease hold property is depreciated over the remaining lease hold period.
- Figures in the brackets are of Previous Year.
- Additions to property, plant and equipment during the year includes Rs. 310.60 Lacs (31st March, 2018 Nil) used for research and development.



4 LOANS

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(Unsecured, considered good)		
Loans and Advances to Employees	24.26	18.68
Total	24.26	18.68
Current		
(Unsecured, considered good)		
Loans and Advances to Employees	27.30	19.06
Total	27.30	19.06

5 OTHER FINANCIAL ASSETS

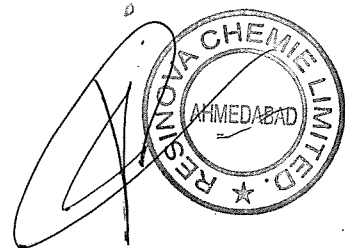
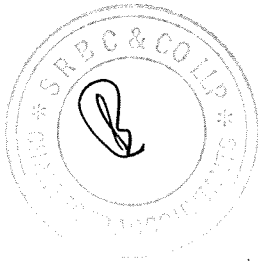
(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(Unsecured, considered good)		
Security Deposits	93.59	66.90
Total	93.59	66.90
Current		
(Unsecured, considered good)		
Security Deposits	12.02	20.66
Interest Accrued on loans and deposits	3.29	2.47
Other Receivable	5.32	7.35
Total	20.63	30.48

6 OTHER ASSETS

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Prepaid Expenses	23.57	2.01
Capital Advances	111.70	65.03
Total	135.27	67.04
Current		
Prepaid Expenses	241.47	198.68
Balances with Government authorities	84.32	455.85
Advances to Suppliers	68.18	103.49
Total	393.97	758.02

7 INVENTORIES (at lower of cost or net realisable value)

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	3,248.58	3,186.37
Work-in-Progress	706.69	520.38
Stock In Trade	-	129.04
Finished Goods	2,174.42	2,279.98
Packing Materials	861.17	870.19
Stores & Spares	57.83	43.74
Total	7,048.69	7,029.70



8 TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	7,445.10	6,128.10
Unsecured, credit impaired	84.70	84.70
Less : Allowance for expected credit loss	(84.70)	(84.70)
Total	7,445.10	6,128.10

Break-up for trade receivables:

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables from other than related parties	7,445.10	5,278.35
Receivables from related parties (Note 35)	-	849.75
Total	7,445.10	6,128.10

Notes :

- The credit period ranges from 30 days to 180 days.
- 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. There are no customers who represent more than 5% of the total balance of trade receivable as at March 31, 2019 (as at March 31, 2018 : Rs.1,134.91 Lacs is due from two customer). The credit risk in respect of these customers is mitigated by additional security cheque.
- 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.
- Movement in Expected Credit Loss Allowance**

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	84.70	4.70
Add : Provision during the year	-	80.00
Balance at the end of the year	84.70	84.70

9 CASH AND CASH EQUIVALENTS

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on Hand	7.57	5.38
Balance With Banks in current accounts	2,822.22	381.17
Total	2,829.79	386.55

10 OTHER BALANCES WITH BANKS

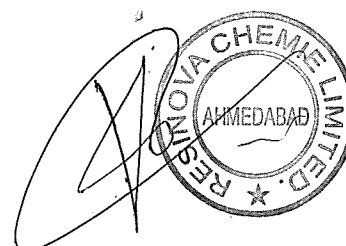
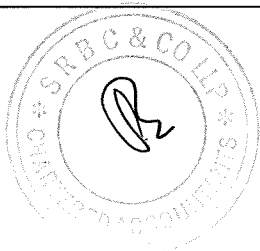
(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
In Deposit Accounts	13.35	13.45
Total	13.35	13.45

11 CURRENT TAX ASSETS

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Taxes Receivable	269.45	528.77
Total	269.45	528.77



12 EQUITY SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
57,50,000 (As at March 31, 2018 : 57,50,000) Equity Shares of Rs.10/- each	575.00	575.00
Issued, Subscribed & Fully Paid Share Capital		
2,93,895 (As at March 31, 2018 : 2,93,895) Equity Shares of Rs. 10/- each fully paid up	29.39	29.39
Total	29.39	29.39

- 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 Lacs
Balance as at April 1, 2017	2,93,895	29.39
Add: Shares Issued	-	-
Balance as at April 1, 2018	2,93,895	29.39
Add: Shares Issued	-	-
Balance as at March 31, 2019	2,93,895	29.39

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

Name of Shareholders	As at March 31, 2019	As at March 31, 2018
Astral Poly Technik Limited (Holding Company)		
No. of Shares	2,86,395	2,86,395
% of Shares Held	97.45	97.45

13 OTHER EQUITY

(Rs. in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium		
Balance at the beginning of the year	30,477.12	30,477.12
Balance at the end of the year	30,477.12	30,477.12
Retained earnings		
Balance at the beginning of the year	1,885.11	(24.21)
Add: Profit for the Year	1,408.76	1,900.41
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	(1.97)	8.91
Balance at the end of the year	3,291.90	1,885.11
Total	33,769.02	32,362.23

Notes

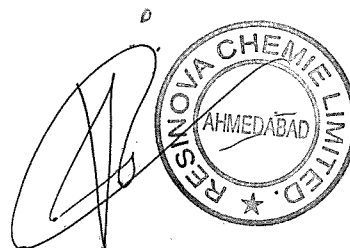
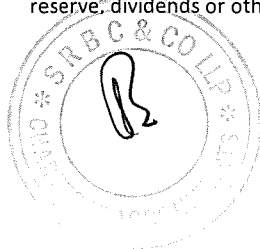
- a) **Nature and purpose of Reserve**

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. 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.



14 BORROWINGS

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured - at amortised cost		
Term Loans From Banks	600.00	760.00
Less: Current maturity of long term loans (Note 18)	160.00	160.00
	440.00	600.00
Unsecured - at amortised cost		
Buyers Credit	1,918.37	1,996.34
	1,918.37	1,996.34
Total	2,358.37	2,596.34

Notes:

- Refer Note 36 for information about liquidity risk.
- Amount stated in Current maturity is disclosed under the head of "Other Financial Liabilities (Current)" (Note No. 18)
- 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% .
Kotak Bank Term Loan of Rs.600.00 Lacs (as at March 31, 2018 : Rs. 760.00 Lacs) repayable within 45 Months (i.e. by December 2022) including initial moratorium period of twelve months from the date of first disbursement in twenty quarterly equal instalments.
- Buyers Credit - Rate of Interest for Buyer's Credit ranges from 0.50% to 1.50% .
1 HSBC Bank Buyers Credit of Rs. 1,918.37 Lacs (as at March 31, 2018: Rs. 1,996.34 Lacs) Repayable by December 2020.

15 PROVISIONS

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for Employee Benefits	154.25	113.64
Total	154.25	113.64
Current		
Provision for Employee Benefits	115.55	85.80
Total	115.55	85.80

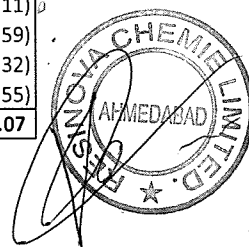
16 DEFERRED TAX LIABILITIES (NET)

(Rs. in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities	2,206.80	2,243.10
Deferred Tax Assets	(1,592.73)	(1,910.34)
Total	614.07	332.76

Deferred tax liabilities/(assets) in relation to :

(Rs. in Lacs)			
Particulars	As at April 1, 2017	Recognised in profit and Loss	As at March 31, 2018
Property, plant and equipment	2,000.89	242.21	2,243.10
Unabsorbed Depreciation	(1,780.76)	785.80	(994.96)
Provision for doubtful trade receivables	(1.55)	(27.76)	(29.31)
Compensated absences	(65.81)	(27.41)	(93.22)
MAT credit Entitlement	(164.40)	(628.45)	(792.85)
Total	(11.63)	344.39	332.76

(Rs. in Lacs)			
Particulars	As at April 1, 2018	Recognised in profit and Loss	As at March 31, 2019
Property, plant and equipment	2,243.10	(36.30)	2,206.80
Unabsorbed Depreciation	(994.96)	992.80	(2.16)
Unabsorbed Scientific Research	-	(172.11)	(172.11)
Provision for doubtful trade receivables	(29.31)	(0.28)	(29.59)
Compensated absences	(93.22)	(35.10)	(128.32)
MAT credit Entitlement	(792.85)	(467.70)	(1,260.55)
Total	332.76	281.31	614.07



17 TRADE PAYABLES

(Rs. in Lacs)

Particulars		As at March 31, 2019	As at March 31, 2018
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	751.52	541.30
	Due to others	3,272.04	4,604.07
	Total	4,023.56	5,145.37

Note:

- 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.
- Refer Note 36 for information about credit risk, market risk and liquidity risk of Trade payables.

18 OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

Particulars		As at March 31, 2019	As at March 31, 2018
Current			
	Current maturities of Long Term Borrowings (Note 14)	160.00	160.00
	Interest accrued and due on borrowings	4.65	5.48
	Interest accrued but not due on borrowings	6.78	2.35
	Payable for capital goods	61.14	213.30
	Others	396.40	293.30
	Total	628.97	674.43

19 OTHER LIABILITIES

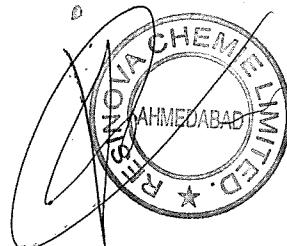
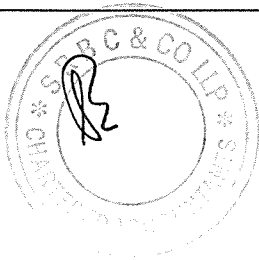
(Rs. in Lacs)

Particulars		As at March 31, 2019	As at March 31, 2018
Current			
	Statutory dues	720.33	256.32
	Advance received from Customers	81.30	78.16
	Total	801.63	334.48

20 CURRENT TAX LIABILITIES (NET)

(Rs. in Lacs)

Particulars		As at March 31, 2019	As at March 31, 2018
	Income tax payable (net of advance payment of tax)	117.49	178.31
	Total	117.49	178.31



21 REVENUE FROM OPERATIONS

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customers	43,462.78	38,894.52
Other operating revenues	237.71	179.66
Total	43,700.49	39,074.18

Note : The revenue from operations (Gross) is inclusive of excise duty and exclusive of GST, as applicable, in above disclosure. If the same had been shown as inclusive of both or net of excise and net of GST, the Revenue from Operations would appear as under:

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations (Gross of Excise and GST)	51,978.97	45,081.00
Less: Excise Duty/GST	8,278.48	7,217.83
Revenue from Operations (Net of Excise and GST)	43,700.49	37,863.17

Note : The Company mainly deals into adhesive products and hence, no disaggregation of revenue is provided. Other

information relating to contract balances, i.e. Trade Receivables, is stated in note no.8.

22 OTHER INCOME

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income comprises:		
From Banks on deposits	0.95	1.17
From Others	-	9.18
Profit on Sale of Current Investments (Net)	21.10	3.87
Foreign exchange gains (Net)	167.68	102.78
Miscellaneous Income	253.26	77.69
Total	442.99	194.69

23 COST OF MATERIALS CONSUMED

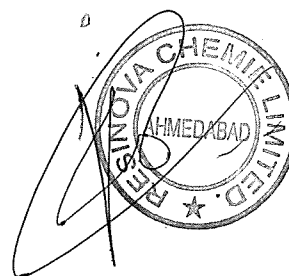
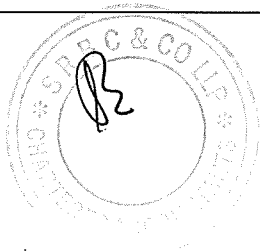
(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the beginning of the year	3,186.37	2,336.63
Add: Purchases	23,106.18	19,831.66
Less: Inventories at the end of the year	3,248.58	3,186.37
Cost of Material Consumed	23,043.97	18,981.92
Inventories at the beginning of the year	870.19	739.07
Add: Purchases	4,904.24	4,693.78
Less: Inventories at the end of the year	861.17	870.19
Cost of Packing Material Consumed	4,913.26	4,562.66
Total	27,957.23	23,544.58

24 PURCHASE OF STOCK-IN-TRADE

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Solutions	30.45	25.43
Total	30.45	25.43



25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories At the end of the year		
Finished Goods	2,174.42	2,279.98
Work-in-progress	706.69	520.38
Stock In Trade	-	129.04
	2,881.11	2,929.40
Inventories At the beginning of the year		
Finished Goods	2,279.98	2,532.49
Work-in-progress	520.38	458.93
Stock In Trade	129.04	193.74
	2,929.40	3,185.16
Net (Increase) / Decrease	48.29	255.76

26 EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	3,013.29	2,386.38
Contribution to Provident and Other Funds (Refer Note No. 33)	223.29	197.42
Staff welfare Expenses	105.82	70.30
Total	3,342.40	2,654.10

27 FINANCE COSTS

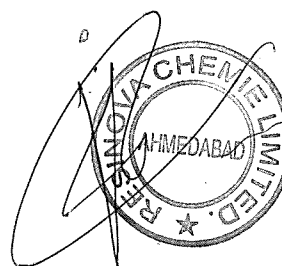
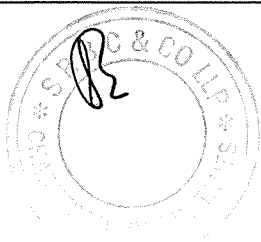
(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses on		
Working capital and term loans	83.22	168.74
Others	1.87	12.77
Other Borrowing Costs	20.60	13.30
Exchange differences regarded as an adjustment to borrowing costs	-	76.71
Total	105.69	271.52

28 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment (Note 3)	773.87	502.00
Amortisation on Intangible assets (Note 3)	3,696.63	3,693.89
Total	4,470.50	4,195.89



29 OTHER EXPENSES

(Rs. in Lacs)

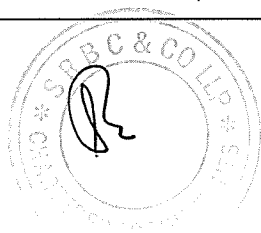
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spares	170.79	171.89
Power and Fuel	565.50	480.25
Rent * (Note 35)	208.56	260.00
Repairs Expenses	189.41	134.72
Insurance Expenses	40.53	25.34
Rates and Taxes	2.52	45.79
Royalty Expense	302.37	244.23
Communication Expenses	151.86	83.83
Travelling Expenses	759.01	614.49
Factory and Other Expenses	58.11	48.18
Printing and Stationary Expenses	14.19	12.10
Freight and Forwarding	1,143.81	1,012.25
Sales Promotions	2,148.11	833.51
Directors Sitting Fees	1.50	1.50
Expenditure on Corporate Social Responsibility (Note 34 & 35)	18.56	-
Security Service Charges	61.71	50.04
Legal and Professional	95.32	93.03
Payments to Auditors **	5.25	5.25
Bad Debts Written Off	0.48	0.02
Provision for Doubtful Trade Receivables	-	80.00
Loss on Sale of Property, Plant and Equipment (Net)	12.34	10.69
Other Expenses	66.22	47.80
Total	6,016.15	4,254.91

- * The Company is lessee under various operating leases under which rental expenses for the year was Rs. 208.56 Lacs (Previous year: Rs. 260.00 Lacs). The Company has not executed any non-cancellable lease agreement.

PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX AND GST)

(Rs. in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
To Statutory Auditors **		
For statutory audit	5.25	5.25
Total	5.25	5.25



(Rs. in Lacs)

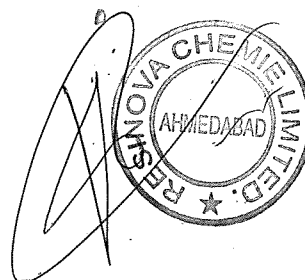
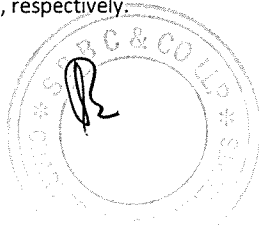
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of the current year		
Current Tax	467.70	628.45
MAT Credit Entitlement	(467.70)	(628.45)
In respect of earlier years	15.00	(17.58)
	15.00	(17.58)
Deferred tax		
In respect of the current year	749.01	972.84
	749.01	972.84

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 Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	2,172.77	2,855.67
Income tax expense @34.944% (FY 2017-18 : 34.608%)	759.25	988.29
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
Effect of allowances	(10.24)	(15.45)
Total	749.01	972.84
Adjustments in respect of current income tax of previous year	15.00	(17.58)
Tax expense as per Statement of Profit and Loss	764.01	955.26

The Company's weighted average tax rates for the year ended March 31, 2019 and March 31, 2018 were 35.16 % and 33.45%, respectively.



31. EARNINGS PER SHARE:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the period attributable to the owners of the Company (Rs. In Lacs)	1,408.76	1,900.41
Weighted average number of equity shares outstanding	2,93,895	2,93,895
Nominal Value per shares (Rs.)	10	10
Basic & Diluted Earnings Per Share (In Rs.)	479.34	646.63

32. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities			
1	Letters of Credits for Purchases	822.35	747.09
2	Other Contingent Liabilities for Statutory Matters	72.11	74.15
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	433.99	268.70

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The company believes that the impact will not be material. The company will make necessary adjustments on receiving further clarity on the subject.

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

33. EMPLOYEE BENEFITS:

The disclosures required under Indian Accounting Standard 19 "Employee Benefits" are given below:

Defined Contribution Plan:

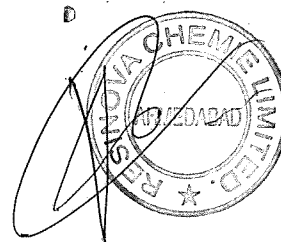
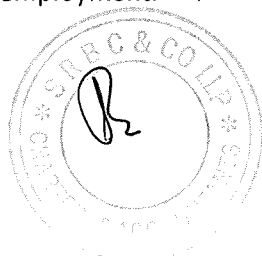
Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note No. 26, Rs. 129.84 Lacs (Previous Year: Rs. 110.02 Lacs).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans 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.



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

(Rs. In Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Obligations at the beginning of the year	216.35	192.07
Current service cost	38.63	34.12
Past Service cost	-	4.08
Interest cost	17.01	14.71
Liability Transferred In/ Acquisitions	0.90	-
Actuarial (gain) / loss – due to change in financial assumptions	3.27	(5.42)
Actuarial (gain) / loss – due to change in demographic assumptions	(0.73)	-
Actuarial (gain) / loss- due to experience adjustments	(3.90)	(6.64)
Benefits paid	(16.81)	(15.83)
Benefits paid directly by the employer	-	(0.74)
Present value of benefit obligation at the end of the year	254.72	216.35

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

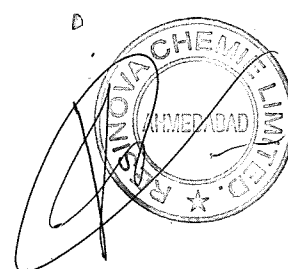
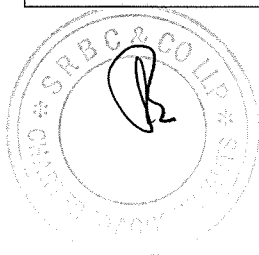
(Rs. In Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Plan assets at the beginning of the year, at fair value	45.66	58.20
Interest Income	3.59	4.46
Return on plant assets excluding interest income	(3.33)	(3.17)
Contributions from the employer	2.20	2.00
Benefits paid	(16.81)	(15.83)
Fair value of plan assets at the end of the year	31.31	45.66

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

(Rs. In Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Present value of benefit obligation at the end of the year	254.72	216.35
Fair value of plan assets at the end of the year	(31.31)	(45.66)
Net liability arising from defined benefit obligation	223.41	170.69



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

Particulars	(Rs. In Lacs)	
	Gratuity	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	38.63	34.12
Net Interest expense	13.42	10.25
Past service cost	-	4.08
Components of defined benefit costs recognised in the Statement of Profit and Loss	52.05	48.45
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	(1.37)	(12.06)
Return on plant assets, excluding interest income	3.33	3.17
Components of defined benefit costs recognised in Other Comprehensive Income	1.96	(8.89)
Total	54.01	39.56

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/ asset is included in Other Comprehensive Income.

- e) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

- f) The defined benefit obligations shall mature after year ended March 31, 2019 as follows:

Particulars	(Rs. In Lacs)	
	As at March 31, 2019	As at March 31, 2018
As at March 31		
2019		12.76
2020	15.45	7.09
2021	15.26	9.46
2022	14.12	8.35
2023	13.50	7.53
Thereafter	632.08	686.73

- 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

Particulars	(Rs. In Lacs)	
	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Delta effect of +1% change in the rate of Discounting	(23.59)	(24.33)
Delta effect of -1% change in the rate of Discounting	27.78	29.24
Delta effect of +1% change in the rate of salary Increase	26.98	28.42
Delta effect of -1% change in the rate of salary increase	(23.31)	(24.03)
Delta effect of +1% change in the rate of employee turnover	1.09	1.58
Delta effect of -1% change in the rate of employee turnover	(1.33)	(1.93)

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. 223.41 lacs (as at March 31, 2018: Rs. 170.69 lacs) to the defined benefit plans during the next financial year.

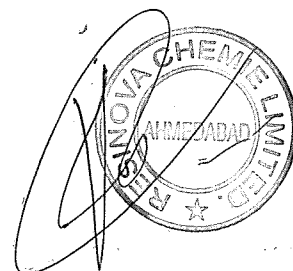
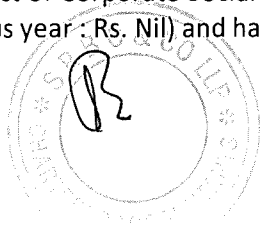
h) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	Gratuity	
	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	7.76%	7.86%
Expected return on plan assets	7.76%	7.86%
Annual Increase in Salary Costs	7.00%	7.00%
Rate of Employee turnover	For service 4 years and below 7.00% p.a. For service 5 years and above 4.00% p.a.	2.00%
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.

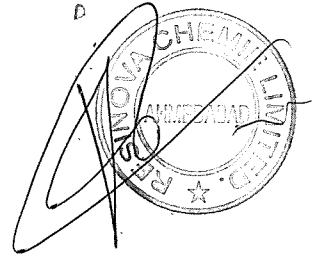
34. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

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. 18.47 Lacs (Previous year : Rs. Nil). 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. 18.56 Lacs (Previous year : Rs. Nil) and has been paid.



35. RELATED PARTY DISCLOSURES:**1. Name of the related parties and their relationships :**

Sr. No.	Description of Relationship	Name of Related Parties
a.	Holding/Parent Company	Astral Poly Technik Limited
b.	Entities with joint control /Fellow Subsidiaries	Astral Biochem Private Limited Seal IT Services Limited - UK Seal IT Services Limited – USA Astral Charitable Trust
c.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Kairav Chemicals Limited Kairamya Journeys LLP Parikh Resins Limited Saumya Polymers LLP
d.	Key Managerial Personnel / Directors	Mr. Sandeep Engineer (Managing Director) Mr. Vijay Parikh (Joint Managing Director upto 20.11.2018) Mr. Rajesh Dwivedi (Whole Time Director) Mr. Kairav Engineer (Director) Mrs. Monica Kanuga (Director)



2. Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2019:

(Rs. In Lacs)

Particulars	Holding/Parent Company		Entities with joint control /Fellow Subsidiaries		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Relative of Key Managerial Personnel		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Part 1: Transaction during the year												
Purchase of Goods/Services	1,369.91	667.38	36.89	-	10.77	12.99	-	-	-	-	1,417.57	680.37
Purchase of Asset	-	-	-	-	-	621.40	-	-	-	-	-	621.40
Sale of Goods	4,696.99	4,045.68	-	31.93	-	-	-	-	-	-	4,696.99	4,077.61
Sale of Asset	-	22.06	-	-	-	-	-	-	-	-	-	22.06
Security Deposit given	-	-	-	-	-	10.09	-	-	-	-	-	10.09
Interest Paid on Security Deposit given	-	-	-	-	1.03	0.75	-	-	-	-	1.03	0.75
Remuneration (Note a)	-	-	-	-	-	-	20.13	25.47	1.29	-	21.42	25.47
Rent Paid	0.71	-	-	-	147.58	146.94	24.07	24.06	-	-	172.36	171.00
Professional Fees Paid	-	-	-	-	-	-	-	-	0.75	0.86	0.75	0.86
Sitting Fees Paid	-	-	-	-	-	-	1.50	1.50	-	-	1.50	1.50
Amount paid for reimbursement of expense	13.93	84.15	-	-	-	-	-	-	-	-	13.93	84.15
Expenditure on Corporate Social Responsibility	-	-	18.57	-	-	-	-	-	-	-	18.57	-
Part 2: Balance at the end of year												
Security Deposit	-	-	-	-	-	10.09	-	-	-	-	-	10.09
Receivables	-	849.75	6.21	12.58	-	-	-	-	-	-	6.21	862.33
Payables	-	-	-	-	1.50	-	4.16	3.76	-	-	2.66	3.76

Notes:

a. Compensation of key management personnel:

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

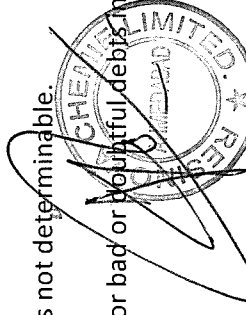
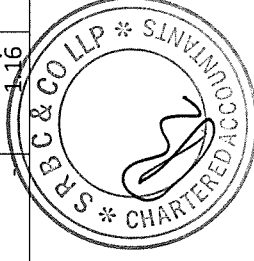
(Rs. In Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term Benefits	21.42	25.47

The remuneration of key management personnel is determined by the remuneration committee. The same excludes gratuity as it is not determinable.

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

c. 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.



36 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 14 and 18 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

Particulars	(Rs. in Lacs)	
	As at	
	March 31, 2019	March 31, 2018
Debt (note i)	2,518.37	2,756.34
Less : Cash and cash equivalents	2,829.79	386.55
Net debt	-	2,369.79
Equity share capital	29.39	29.39
Other Equity	33,769.02	32,362.23
Total equity	33,798.41	32,391.62
Net debt to equity ratio	-	7.32%

- i Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 14 and 18.

2 Category-wise classification of financial instruments

Particulars	(Rs. in Lacs)	
	As at	
	March 31, 2019	March 31, 2018
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents (Note 9 and 10)	2,843.14	399.99
b Financial assets (Note 4,5 and 8)	7,610.88	6,263.22
Total	10,454.02	6,663.21
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 14 and 18)	2,518.37	2,756.34
b Financial liabilities (Note 17 and 18)	4,492.53	5,659.80
Total	7,010.90	8,416.14

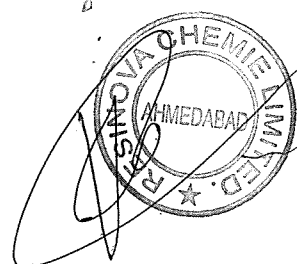
In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

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.



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:

Particulars	(in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Liabilities (Foreign currency)		
In US Dollars (USD)	15.96	20.51
In Euro (EUR)	24.85	24.73
Assets (Foreign currency)		
In Euro (EUR)	-	0.17

Particulars	(Rs. in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Liabilities (INR)		
In US Dollars (USD)	1,103.84	1,336.54
In Euro (EUR)	1,929.42	1,998.11
Assets (INR)		
In Euro (EUR)	-	13.40

Derivative instruments:

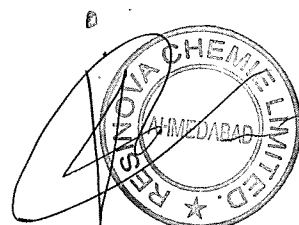
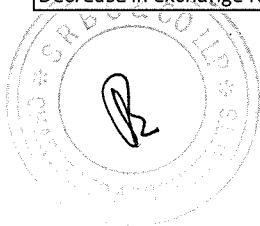
The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, 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.

Particulars	(Rs. in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Increase in exchange rate by 5%	(151.66)	(166.06)
Decrease in exchange rate by 5%	151.66	166.06



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:

Particulars	Increase/ decrease in basis points	(Rs. in Lacs) Effect on profit before tax
As at March 31, 2019	100 bps	25.18
As at March 31, 2018	100 bps	27.56

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 8 - Trade receivable).

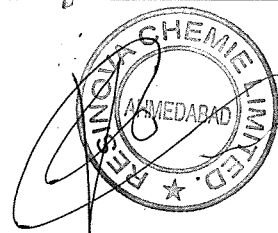
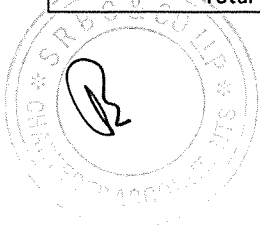
C MANAGEMENT OF LIQUIDITY RISK

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 Lacs)					
Particulars	Carrying amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2019					
Non-derivative financial liabilities					
Borrowings	2,518.37	160.00	2,358.37	-	2,518.37
Financial Liabilities	4,492.53	4,492.53	-	-	4,492.53
Total	7,010.90	4,652.53	2,358.37	-	7,010.90
As at March 31, 2018					
Non-derivative financial liabilities					
Borrowings	2,756.34	160.00	2,596.34	-	2,756.34
Financial Liabilities	5,659.80	5,659.80	-	-	5,659.80
Total	8,416.14	5,819.80	2,596.34	-	8,416.14



37. 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 31st March 2019. Expenses disclosed under the respective notes to accounts are inclusive of expenditure for research and development.

		(Rs. In Lacs)
	Particulars	Year ended March 31,2019
A	Revenue Expenditure	
	Salaries, Wages and Bonus	65.21
	Contribution to Provident and other fund	2.53
	Raw Material & Component Consumed	2.47
	Other Expense	10.04
	Total (A)	80.25
B	Capital Expenditure	
	Office Building	187.49
	Plant & Machinery	71.05
	Office Equipments	1.60
	Computer	5.79
	Furniture & Fixtures	44.67
	Total (B)	310.60
	Total Expenditure on research & development (A+B)	390.85

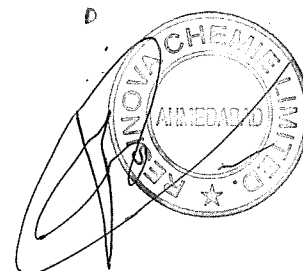
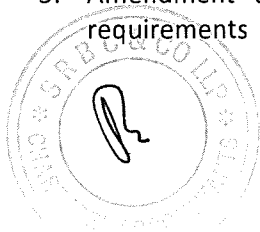
38. SEGMENT REPORTING:

The Company is engaged mainly in production of Adhesive Solution and as such this is the only reportable business segment as per Indian Accounting Standard on Segment Reporting (IND AS – 108). There are no Geographical Segments as export turnover is not significant in respect of total turnover.

40. RECENT ACCOUNTING PRONOUNCEMENT

The below amendments have also became effective for the Company from financial year beginning April 1, 2018. However, the management has evaluated and determined that the adoption of these amendments will not have any material impact on the consolidated financial statements since there are no such transactions or the Company's existing policies are aligned to these amendments:

1. Amendment to Ind AS 12 Income Taxes – regarding recognition of deferred tax assets on unrealised losses
2. Applying Appendix B of Ind AS 21 The Effects of Changes in Foreign Exchange Rates
3. Amendment to Ind AS 28 Investments in Associates and Joint Ventures
4. Amendment to Ind AS 40 Investment Property - regarding transfer of investment property
5. Amendment to Ind AS 112 Disclosure of Interests in Other Entities – regarding disclosure requirements



Standards issued but not yet effective

Ind AS 116 – Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.


The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

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

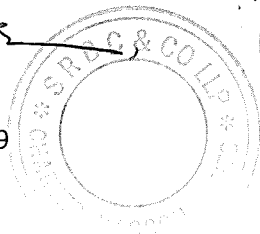
As per report of even date

For S R B C & CO LLP

ICAI Firm Registration No.: 324982E/E300003^D
Chartered Accountants



Per Anil Jobanputra
Partner
Membership No.: 110759

Place: Ahmedabad
Date: May 20, 2019

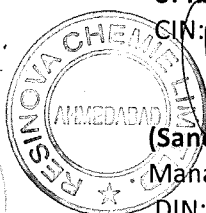


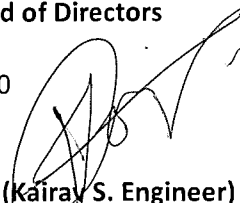
For and on behalf of the Board of Directors of Resinova Chemie Limited

CIN: U24295GJ2009PLC058120


(Sandeep P. Engineer)
Managing Director
DIN: 00067112

Place: Ahmedabad
Date: May 20, 2019




(Kairav S. Engineer)
Director
DIN: 03383621

SEAL IT SERVICES LIMITED

Financial Statements

For FY 2018-19

COMPANY REGISTRATION NUMBER: 04487206

SEAL IT SERVICES LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2019

Seal It Services Limited

Financial statements

Year ended 31 March 2019

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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
Registered office	Unit G16 River Bank Way Lowfields Business Park West Yorkshire HX5 9DN
Auditor	BDO Northern Ireland Chartered Accountant & Statutory Auditor Lindsay House 10 Callender Street Belfast BT1 5BN
Bankers	HSBC 4 th 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 2019

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 9 and 10, show a profit before taxation of £856,694 (2018: £126,513). The equity attributable to owners of the parent company totalled £3,537,398 (2018: £2,844,306).

The directors are confident that the Group will continue to show turnover growth in the coming year. There has been significant investment in new plant and facilities during the year, which will allow the Group to service the increased demand for its products.

Alongside a focus on increasing turnover, 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:

	2019	2018
Turnover	£21,582,410	£17,285,259
Trade Receivable days	65	70

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. The directors have carried out what they believe to be all necessary risk assessments and have complied with all health and safety requirements. The UK operations of the Group holds ISO 14001 and ISO 9001 certifications and have been audited by the International Organization for Standardization during the period, with no issues of any non-conformance. The Group are striving towards achieving ISO45001 which is the third of the major ISO Accreditations it is expected this will be achieved in 2019/20.

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.

Seal It Services Limited**Strategic report** *(continued)***Year ended 31 March 2019**

The economic environment in which the Group operates is expected to remain positive during the next twelve months, however, the future impact of Brexit on the local economy remains uncertain. The Group is committed to taking a proactive approach to the implications, risks and challenges that any changes Brexit may bring to the business and minimise any adverse impact.

Obligations under the Data Protection Act 1998 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 Group faces increasing costs. The directors are of the opinion that the Group is well positioned to manage these costs.

Economic risk

The risk of increased interest rates 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.

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 14th May 2019 and signed on behalf of the board by:


Mr G Helm
Director

Registered office:
Unit G16
River Bank Way
Lowfields Business Park
West Yorkshire
HX5 9DN

Seal It Services Limited

Directors' report

Year ended 31 March 2019

The directors present their report and financial statements for the year ended 31 March 2019.

Events after the reporting date

There are no events after the reporting date which require disclosure.

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 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 P Walters (resigned 30 April 2018)

Strategic report

The strategic report is included at pages 2 to 3.

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.

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.

Seal It Services Limited

Directors' report *(continued)*

Year ended 31 March 2019

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.

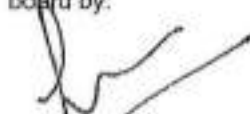
Each of the persons who is a director at the date of approval of this report confirm that:

- 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 14th May 2019 and signed on behalf of the board by:



Mr G Helm
Director

Registered office:
Unit 616
River Bank Way
Lowfields Business Park
West Yorkshire
HX5 9DN

Seal It Services Limited

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

Year ended 31 March 2019

Opinion

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 2019 which comprise the Consolidated Statement of Profit and Loss and Comprehensive Income, Consolidated Statement of Financial Position and 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.

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 2019 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 provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Seal It Services Limited

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

(continued)

Year ended 31 March 2019

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.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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 and Director's 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.

Seal It Services Limited**Independent auditor's report to the members of Seal It Services Limited***(continued)***Year ended 31 March 2019**

Responsibilities of Directors

As explained more fully in the Directors responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located 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

16 May 2019

Seal It Services Limited

Consolidated statement of profit and loss and comprehensive income

Year ended 31 March 2019


	Note	2019 £	2018 £
Continuing operations			
Revenue	4	21,582,410	17,285,259
Cost of sales		14,859,612	12,098,437
Gross profit		6,722,798	5,186,822
Distribution costs		2,035,495	2,339,848
Administrative expenses		3,572,837	2,484,761
Other operating income		(56,984)	(12,166)
Operating profit		1,171,450	374,379
Finance costs	7	314,756	247,866
Profit before taxation		856,694	126,513
Taxation	9	214,903	74,415
Profit for the year		641,791	52,098
Other comprehensive income			
Foreign exchange movement		51,301	17,339
Total comprehensive income for the year		693,092	69,437
Attributable to:			
Owners of the parent company		693,092	69,437

All the activities of the Group are from continuing operations.

Seal It Services Limited**Consolidated statement of financial position****31 March 2019**

	Note	2019 £	2018 £
Non-current assets			
Intangible assets	10	2,302,342	2,276,885
Property, plant and equipment	11	5,432,907	4,394,416
Total non-current assets		7,735,249	6,671,301
Current assets			
Inventory	13	3,047,060	2,480,883
Trade and other receivables	14	4,684,907	3,718,495
Cash and cash equivalents	15	856,184	148,990
Total current assets		8,588,151	6,348,368
Total assets		16,323,400	13,019,669
Liabilities			
Non-current liabilities			
Loans and borrowings	16	4,952,369	3,994,455
Deferred tax liabilities	18	143,170	141,481
Total non-current liabilities		5,095,539	4,135,936
Current liabilities			
Loans and borrowings	16	3,919,460	3,018,660
Trade and other payables	17	3,771,003	3,020,767
Total current liabilities		7,690,463	6,039,427
Total liabilities		12,786,002	10,175,363
Net assets		3,537,398	2,844,306
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	3,580,929	2,939,138
Foreign exchange reserve	20	(43,631)	(94,932)
Total equity		3,537,398	2,844,306

These financial statements were approved by the board of directors and authorised for issue on 14/05/19
and are signed on behalf of the board by:



Mr G Helm
Director

Company registration number: 04487206

The notes on pages 14 to 47 form part of these financial statements.

Seal It Services Limited**Company statement of financial position****31 March 2019**

	Note	2019 £	2018 £
Non-current assets			
Property, plant and equipment	11	4,652,755	3,706,559
Investments	12	542,340	542,340
Other receivables	14	3,728,568	3,190,447
Total non-current assets		8,923,663	7,439,346
Current assets			
Inventory	13	2,719,735	2,346,663
Trade and other receivables	14	4,326,725	3,453,168
Cash and cash equivalents	15	830,201	146,035
Total current assets		7,876,661	5,945,866
Total assets		16,800,324	13,385,212
Liabilities			
Non-current liabilities			
Loans and borrowings	16	4,952,369	3,993,917
Deferred tax liabilities	18	143,170	141,481
Total non-current liabilities		5,095,539	4,135,398
Current liabilities			
Loans and borrowings	16	3,919,460	3,018,660
Trade and other payables	17	3,575,561	2,859,594
Total current liabilities		7,495,021	5,878,254
Total liabilities		12,590,560	10,013,652
Net assets		4,209,764	3,371,560
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	4,127,398	3,253,023
Foreign exchange reserve	20	82,266	118,437
Total equity		4,209,764	3,371,560

These financial statements were approved by the board of directors and authorised for issue on 14/05/19 and are signed on behalf of the board by:

Mr G Helm
Director

Company registration number: 04487206

The notes on pages 14 to 47 form part of these financial statements.

Seal It Services Limited**Consolidated statement of changes in equity****Year ended 31 March 2019**

	Issued share capital £	Foreign exchange reserve £	Retained earnings £	Total equity £
At 1 April 2018	100	(94,932)	2,939,138	2,844,306
Profit for the year	–	–	641,791	641,791
Foreign currency gain	–	51,301	–	51,301
Total comprehensive income for the year	–	51,301	641,791	693,092
At 31 March 2019	100	(43,631)	3,580,929	3,537,398

	Issued share capital £	Foreign exchange reserve £	Retained earnings £	Total equity £
At 1 April 2017	100	(112,271)	2,887,040	2,774,869
Profit for the year	–	–	52,098	52,098
Foreign currency gain	–	17,339	–	17,339
Total comprehensive income for the year	–	17,339	52,098	69,437
At 31 March 2018	100	(94,932)	2,939,138	2,844,306

Seal It Services Limited

Consolidated statement of cash flows

Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit after taxation		641,791	52,098
Adjustment for:			
Depreciation		711,592	632,534
Net finance costs		314,756	247,866
Loss on disposal of fixed assets		–	1,916
Accrued expenses		170,175	(77,299)
Foreign currency		(16,227)	–
Tax on profit of ordinary activities		214,903	74,415
		<u>2,036,990</u>	<u>931,530</u>
Changes in working capital:			
Movement in inventory		(501,932)	(708,988)
Movement in trade and other receivables		(858,334)	(119,235)
Movement in trade and other payables		407,060	1,064,156
Cash generated from operations		<u>1,083,784</u>	<u>1,167,462</u>
Interest paid		(258,232)	(194,272)
Income tax paid		(182,667)	(54,105)
Net cash inflow from operating activities		<u>642,885</u>	<u>919,085</u>
Cash flows from investing activities			
Proceeds from sale of equipment		–	4,584
Acquisition through business combinations		(29,048)	–
Purchase of property, plant and equipment		(1,548,021)	(1,550,119)
Net cash outflow from investing activities		<u>(1,577,069)</u>	<u>(1,545,535)</u>
Cash flows from financing activities			
Capital repayment of finance lease repayments		(265,718)	(318,484)
Proceeds from parent company		918,110	850,780
Repayment of parent company loan		(102,392)	–
Proceeds from bank loans		563,500	539,000
Repayment of bank loans		(431,249)	(676,084)
Net cash (outflow)/inflow from financing activities		<u>682,251</u>	<u>395,212</u>
Net (decrease) in cash and cash equivalents		<u>(251,933)</u>	<u>(231,238)</u>
Cash and cash equivalents at 1 April		<u>(2,089,482)</u>	<u>(1,858,244)</u>
Cash and cash equivalents at 31 March	15	<u>(2,341,415)</u>	<u>(2,089,482)</u>

The notes on pages 14 to 47 form part of these financial statements.

Seal It Services Limited**Notes to the financial statements****Year ended 31 March 2019**

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, River Bank Way, Lowfields Business Park, 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

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 2.

Going concern

The financial statements have been prepared on the going concern basis. After making appropriate enquiries and having prepared and reviewed cash flow forecasts which take into account reasonably possible changes in trading performance, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of these financial statements. For these reasons they continue to adopt the going concern basis in preparing the Group's financial statements.

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 acquiree's 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

2. Accounting policies *(continued)*

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 products standalone selling prices.

Interest expense recognition

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

2. Accounting policies *(continued)*

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:

	2019	2018
United States dollar	1.30305	1.4028
Euro	1.1605	1.1406

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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

2. Accounting policies *(continued)*

Property, plant and equipment *(continued)*

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.

Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Property, plant and equipment acquired under finance leases is recorded at fair value or, if lower, the present value of minimum lease payments at inception of the lease, less depreciation and any impairment.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in the other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment under finance leases is depreciated over the shorter of the useful life of the asset and lease term.

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:

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

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.

Seal It Services Limited**Notes to the financial statements** *(continued)***Year ended 31 March 2019**

2. Accounting policies *(continued)***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 and other direct production costs together with a proportion of production overheads relevant to the stage of completion of work in progress and finished goods and excludes borrowing costs. 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.

Seal It Services Limited**Notes to the financial statements** *(continued)***Year ended 31 March 2019**

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.

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.

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.

Seal It Services Limited**Notes to the financial statements** *(continued)***Year ended 31 March 2019**

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

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.

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 processes during the period ended 31 March 2019.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

2. Accounting policies *(continued)*

New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 March 2019 are:

- IFRS 9 Financial Instruments (IFRS 9); and
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

These standards or interpretations effective for the first time for periods beginning on or after 1 January 2018 did not have a significant effect on the Group's financial statements.

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

New standards, interpretations and amendments not yet effective

- **IFRS 16 'Leases'** (effective 1 January 2019). This is a new standard establishing principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard replaces IAS 17 and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.
- **IFRIC 23 'Uncertainty over income tax position'** – (effective 1 January 2019). IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.
- The Group does not believe that the adoption of these standards and interpretations will either individually or collectively have a material impact on the Group's financial statements in the period of initial application.

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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

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

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 11), 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.

Impairment of Goodwill

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

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.

	2019	2018
	£	£
UK Sales	19,360,836	15,478,454
US sales	1,441,800	1,278,775
EU sales	730,034	528,030
Other	49,740	–
	<u>21,582,410</u>	<u>17,285,259</u>

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

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

5. Expenses by nature

	2019	2018
	£	£
Raw materials and consumables used	13,896,858	11,186,736
Employee costs	3,085,832	2,797,438
Depreciation	711,594	632,534
Other sales expenses	345,673	341,749
Repairs	178,063	195,979
Other cost of sales	85,445	46,640
Transport	948,726	759,437
Finance costs	314,756	247,866
Foreign currency gains/(losses)	(25,989)	21,745
Other administrative costs	1,060,477	696,731
Rent and rates	181,265	244,057
Other income	(56,984)	(12,166)
	<u>20,725,716</u>	<u>17,158,746</u>

6. Employees and directors

Staff members:

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

	2019	2018
	£	£
Number of production staff	45	38
Number of distribution staff	12	15
Number of administrative staff	53	44
Number of management staff	4	4
	<u>114</u>	<u>101</u>

Out of the average staff numbers 11 are employed by the subsidiary Seal It Inc.

Payroll costs:

The aggregate payroll costs of the above were:

	2019	2018
	£	£
Wages and salaries	2,762,756	2,523,942
Employers' national insurance contributions and similar taxes	270,402	237,721
Defined contribution pension cost	52,674	35,775
	<u>3,085,832</u>	<u>2,797,438</u>

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

6. Employees and directors *(continued)***Directors' remuneration:**

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

	2019 £	2018 £
Remuneration receivable	237,036	263,191
Defined contribution pension cost	39,690	35,775
	<u>276,726</u>	<u>298,966</u>

Remuneration of highest paid director:

	2019 £	2018 £
Remuneration receivable	112,479	112,284
Defined contribution pension costs	20,583	7,246
	<u>133,062</u>	<u>119,530</u>

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

	2019 No.	2018 No.
Money purchase schemes	<u>2</u>	<u>3</u>

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.

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

	2019 £	2018 £
Remuneration receivable	237,036	263,191
Defined contribution pension cost	39,690	35,775
	<u>276,726</u>	<u>298,966</u>

Retirement benefits:

The Group runs a defined benefit pension scheme for its employees. During the year, the Group made contributions of £52,674 (2018: £35,775).

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

7. Finance costs

	2019 £	2018 £
Interest expense on financial liabilities measured at amortised cost and other similar charges	218,015	224,715
Finance leases (interest portion)	96,741	23,151
	<u>314,756</u>	<u>247,866</u>

8. Auditors remuneration

	2019 £	2018 £
Auditors remuneration:		
- as auditor	20,000	20,000
Other services:		
- taxation services	2,000	2,000
	<u>22,000</u>	<u>22,000</u>

9. Taxation

Major components of tax expense

(a) Analysis of charge in the year

	2019 £	2018 £
Current tax:		
In respect of the year:		
Current tax based on the results for the year at 19% (2018 - 19%)	222,316	96,290
Under/(Over) provision in prior year	(9,102)	2,590
Total current tax	<u>213,214</u>	<u>98,880</u>
Deferred tax:		
Origination and reversal of timing differences	(5,503)	(24,465)
Adjustments in respect of prior periods	7,192	-
Tax on profit on ordinary activities	<u>214,903</u>	<u>74,415</u>

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

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% (2018 - 19%).

	2019 £	2018 £
Profit before taxation	1,002,229	126,513
Profit by rate of corporation tax in UK	190,424	24,037
Expenses not deductible for tax purposes	2,821	2,679
Surplus of depreciation over capital allowances	22,922	14,516
Adjustments to tax charge in respect of previous periods	(9,102)	2,590
Unrelieved foreign tax losses	—	27,714
Deferred tax – fixed asset timing difference	7,838	2,879
Total tax charge	214,903	74,415

10. Intangible assets

	Goodwill £
Cost	
At 1 April 2018	2,276,885
Additions acquired through business combinations	25,457
At 31 March 2019	2,302,342
Amortisation and impairment	—
At 1 April 2018 and 31 March 2019	—
Carrying amount	
At 31 March 2019	2,302,342
At 31 March 2018	2,276,885

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 2019 and this will be re-assessed annually going forward.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

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.

During the year the Group acquired the business and assets of another company. The amount paid was £29,048 with net assets acquired of £3,591 on which goodwill arose on the acquisition of £25,457.

11. Property, plant and equipment

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2018	2,375,762	4,082,397	421,184	105,182	210,698	7,195,223
Additions	916,896	699,698	47,367	–	11,062	1,675,023
Acquisitions	–	–	–	–	22,404	22,404
FX	5,908	53,039	607	–	311	59,865
At 31 Mar 2019	3,298,566	4,835,134	469,158	105,182	244,475	8,952,515
Depreciation						
At 1 Apr 2018	255,252	2,136,529	174,865	69,518	164,643	2,800,807
Charge for year	127,107	497,342	51,720	9,677	25,746	711,594
FX	370	6,460	–	–	380	7,210
At 31 Mar 2019	382,729	2,640,331	226,585	79,195	190,768	3,519,609
Net book value						
At 31 Mar 2019	2,915,837	2,194,803	242,573	25,987	53,706	5,432,907
At 31 Mar 2018	2,120,510	1,945,868	246,319	35,664	46,055	4,394,416

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

11. Property, plant and equipment (continued)

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2017	1,545,878	3,459,422	324,234	123,182	177,975	5,630,691
Additions	838,091	649,819	96,950	–	33,822	1,618,682
Disposals	–	–	–	(18,000)	–	(18,000)
FX	(8,207)	(26,844)	–	–	(1,099)	(36,150)
At 31 Mar 2018	2,375,762	4,082,397	421,184	105,182	210,698	7,195,223
Depreciation						
At 1 Apr 2017	166,195	1,671,447	130,132	75,636	133,377	2,176,787
Charge for year	88,921	462,465	44,733	5,382	31,033	632,534
Charge on disposals	–	–	–	(11,500)	–	(11,500)
FX	136	2,617	–	–	233	2,986
At 31 Mar 2018	255,252	2,136,529	174,865	69,518	164,643	2,800,807
Net book value						
At 31 Mar 2018	2,120,510	1,945,868	246,319	35,664	46,055	4,394,416
At 31 Mar 2017	1,379,683	1,787,975	194,102	47,546	44,598	3,453,904

Finance lease commitments

Included within the net book value of £5,432,907 is £220,637 (2018: £739,477) relating to assets held under finance lease commitments. The depreciation charged to the financial statements in the year in respect of such assets amounted to £288,231 (2018: £166,525).

Capital commitments

	2019 £	2018 £
Contracted but not provided for in the financial statements	300,000	923,335

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

11. Property, plant and equipment (continued)

Company	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2018	2,298,583	3,383,569	421,184	105,182	198,699	6,407,217
Additions	911,436	568,769	47,367	–	10,664	1,538,236
At 31 Mar 2019	3,210,019	3,952,338	468,551	105,182	209,363	7,945,453
Depreciation						
At 1 Apr 2018	250,148	2,046,911	174,865	69,518	159,216	2,700,658
Charge for the year	122,850	385,866	51,720	9,677	21,927	592,040
At 31 Mar 2019	372,998	2,432,777	226,585	79,195	181,143	3,292,698
Net book value						
At 31 Mar 2019	2,837,021	1,519,561	241,966	25,987	28,220	4,652,755
At 31 Mar 2018	2,048,435	1,336,659	246,319	35,664	39,482	3,706,559
Cost						
At 1 Apr 2017	1,470,303	3,157,229	324,234	123,182	167,845	5,242,793
Additions	828,280	226,340	96,950	–	30,854	1,182,424
Disposals	–	–	–	(18,000)	–	(18,000)
At 31 Mar 2018	2,298,583	3,383,569	421,184	105,182	198,699	6,407,217
Depreciation						
At 1 Apr 2017	164,935	1,647,346	130,132	75,636	131,231	2,149,280
Charge for the year	85,213	399,564	44,733	5,382	27,985	562,878
Charge on disposals	–	–	–	(11,500)	–	(11,500)
At 31 Mar 2018	250,148	2,046,910	174,865	69,518	159,216	2,700,658
Net book value						
At 31 Mar 2018	2,048,435	1,336,659	246,319	35,664	39,482	3,706,559
At 31 Mar 2017	1,305,368	1,509,883	194,102	47,546	36,614	3,093,513

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

11. Property, plant and equipment *(continued)*

Finance lease commitments

Included within the net book value of £4,652,755 is £414,118 (2018: £739,477) relating to assets held under finance lease commitments. The depreciation charged to the financial statements in the year in respect of such assets amounted to £288,231 (2018: £166,525).

Capital commitments

	2019 £	2018 £
Contracted but not provided for in the financial statements	<u>300,000</u>	<u>805,000</u>

12. Investments

Company	Group companies £
Cost	
At 1 April 2018	542,340
Additions	–
Disposals	–
	<u> </u>
Net book value	
At 31 March 2019	<u>542,340</u>
At 31 March 2018	<u>542,340</u>

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: 3301 Industrial Drive, Sanford, NC 27332.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

13. Inventories

Group	2019 £	2018 £
Raw materials	1,616,351	1,150,085
Work in progress	51,067	52,764
Finished goods	1,379,642	1,278,034
	<u>3,047,060</u>	<u>2,480,883</u>

The cost of inventories recognised as expenses and included in cost of sales amounted to £13,896,858 (2018: £11,186,736).

Company	2019 £	2018 £
Raw materials	1,436,151	1,026,146
Work in progress	42,519	46,653
Finished goods	1,241,065	1,273,864
	<u>2,719,735</u>	<u>2,346,663</u>

14. Trade and other receivables

Group	2019 £	2018 £
Trade receivables	4,377,798	3,359,868
Less: provision for impairment of trade receivables	(39,571)	(10,975)
Trade receivables – net	<u>4,338,227</u>	<u>3,348,893</u>
Total financial assets other than cash and cash equivalents classified as amortised cost	4,338,227	3,348,893
Other receivables	222,872	208,673
Prepayments and accrued income	123,808	160,929
Total trade and other receivables	<u>4,684,907</u>	<u>3,718,495</u>

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 2019

14. Trade and other receivables (continued)

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

At 31 March 2019, £3,402,180 (2018: £2,295,300) 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:

	2019	2018
	£	£
Sterling	4,326,725	3,445,378
US Dollars	358,182	273,117
	<u>4,684,907</u>	<u>3,718,495</u>

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

	2019	2018
	£	£
At 1 April 2018	10,975	25,305
Increase/(Decrease) in provision for receivables impairment	28,596	(14,330)
At 31 March 2019	<u>39,571</u>	<u>10,975</u>

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 2019, trade receivables of £27,009 (2018: £6,010) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

14. Trade and other receivables (continued)

The ageing analysis of these trade receivables is as follows:

	2019 £	2018 £
Up to 3 months	–	–
3 to 6 months	27,009	6,010
Over 6 months	–	–
At 31 March	<u>27,009</u>	<u>6,010</u>

At 31 March 2019, trade receivables of £39,571 (2018: £10,975) were impaired. The ageing analysis of these trade receivables is as follows:

	2019 £	2018 £
Up to 3 months	–	9,167
3 to 6 months	39,571	1,808
Over 6 months	–	–
At 31 March	<u>39,571</u>	<u>10,975</u>

Company

	2019 £	2018 £
Trade receivables	4,047,446	3,125,065
Less: provision for impairment of trade receivables	(31,801)	(10,975)
Trade receivables – net	<u>4,015,645</u>	<u>3,114,090</u>
Receivables from group companies	<u>3,728,568</u>	<u>3,190,447</u>
Total financial assets other than cash and cash equivalents classified as amortised cost	<u>7,744,213</u>	<u>6,304,537</u>
Other receivables	211,673	216,463
Prepayments and accrued income	99,407	122,615
Total trade and other receivables	<u>8,055,293</u>	<u>6,643,615</u>
Less: non-current portion – receivables from group companies	<u>3,728,568</u>	<u>3,190,447</u>
Current Portion	<u>4,326,725</u>	<u>3,453,168</u>

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 2019

14. Trade and other receivables *(continued)*

The amounts receivable from group companies are due for repayment after one year from 31 March 2019. The terms of the loan carry an interest charge of 3%, £45,613, 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:

	2019 £	2018 £
Sterling	4,326,725	3,453,168
US Dollars	3,728,568	3,190,447
	<u>8,055,293</u>	<u>6,643,615</u>

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

	2019 £	2018 £
At 1 April 2018	10,975	20,507
Increase in provision for receivables impairment	20,826	–
Receivables written off during the year as uncollectable	–	(9,532)
At 31 March 2019	<u>31,801</u>	<u>10,975</u>

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 2019, trade receivables of £23,527 (2018: £6,010) 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:

	2019 £	2018 £
Up to 3 months	–	–
3 to 6 months	23,527	6,010
Over 6 months	–	–
At 31 March	<u>23,527</u>	<u>6,010</u>

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

14. Trade and other receivables (continued)

At 31 March 2019, trade receivables of £31,801 (2018: £10,975) were impaired. The ageing analysis of these trade receivables is as follows:

	2019 £	2018 £
Up to 3 months	–	9,167
3 to 6 months	31,801	1,808
Over 6 months	–	–
At 31 March	<u>31,801</u>	<u>10,975</u>

15. Cash and cash equivalents

Group

	2019 £	2018 £
Cash and cash equivalents	<u>856,184</u>	<u>148,990</u>

For the purposes of the cash flow statement, cash and cash equivalents includes, cash in hand and at bank of £856,184 offset against short term commercial finance of £3,197,599. Cash and cash equivalents are denominated in either £ Sterling or \$ USD. Included within cash and cash equivalents is £783,209 denominated in £ Sterling and £72,975 denominated in \$ USD.

Company

	2019 £	2018 £
Cash and cash equivalents	<u>830,201</u>	<u>146,035</u>

All cash and cash equivalents are denominated in £ Sterling.

16. Loans and borrowings

Group

	2019 £	2018 £
Non-current		
Bank borrowings	1,918,896	1,777,718
Loans from parent company	2,940,147	2,032,882
Finance leases	93,326	183,855
Total non-current loans and borrowings	<u>4,952,369</u>	<u>3,994,455</u>

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

16. Loans and borrowings (continued)

	2019 £	2018 £
Current		
Bank borrowings	3,792,149	2,843,700
Finance leases	127,311	174,960
Total current loans and borrowings	3,919,460	3,018,660
Total loans and borrowings	8,871,829	7,013,115

£862,084 of the loans and borrowings are denominated in \$ USD with all other amounts denominated in £ Sterling. Finance leases are secured against the assets which they were used to acquire. The interest rate profile of interest bearing borrowings is as follows:

	2019		2018	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,918,896	2.3%	1,777,718	2.3%
Loans from parent company	2,940,147	3.0%	2,032,882	3.0%
Finance leases	93,326	10.0%	183,855	10.0%
	<u>4,952,369</u>		<u>3,994,455</u>	
Current				
Bank borrowings	3,792,149	2.3%	2,843,700	2.3%
Finance leases	127,311	10.0%	174,960	10.0%
	<u>3,919,460</u>		<u>3,018,660</u>	

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

	2019		2018	
	Debt £	Fair value £	Debt £	Fair value £
Non-current				
Bank borrowings	1,918,896	1,658,146	1,777,718	1,353,529
Loans from parent company	2,940,147	2,547,731	2,032,882	1,860,375
Finance leases	93,326	77,129	183,855	131,450
	<u>4,952,369</u>	<u>4,283,006</u>	<u>3,994,455</u>	<u>3,345,354</u>
Current				
Bank borrowings	3,792,149	3,729,149	2,843,700	2,843,700
Finance leases	127,311	127,311	174,960	174,960
	<u>3,919,460</u>	<u>3,856,460</u>	<u>3,018,660</u>	<u>3,018,660</u>

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

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:

	2019 £	2018 £
Less than one year	3,919,460	3,018,660
Between one and five years	4,481,385	3,994,455
Over five years	470,984	—
Total loans and borrowings	<u>8,871,829</u>	<u>7,013,115</u>
Company		
	2019 £	2018 £
Non-current		
Bank borrowings	1,918,896	1,777,718
Loans from parent company	2,940,147	2,032,344
Finance leases	93,326	183,855
Total non-current loans and borrowings	<u>4,952,369</u>	<u>3,993,917</u>
	2019 £	2018 £
Current		
Bank borrowings	3,792,149	2,843,700
Finance leases	127,311	174,960
Total current loans and borrowings	<u>3,919,460</u>	<u>3,018,660</u>
Total loans and borrowings	<u>8,871,829</u>	<u>7,013,115</u>

£834,859 of the loans and borrowings are denominated in \$ USD with all other amounts denominated in £ Sterling.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

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:

	2019		2018	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,918,896	2.3%	1,777,718	2.3%
Loans from Group undertakings	2,940,147	3.0%	2,032,344	3.0%
Finance leases	93,326	10.0%	183,855	10.0%
	<u>4,952,369</u>		<u>3,993,917</u>	
Current				
Bank borrowings	3,792,149	3.0%	2,843,700	3.0%
Finance leases	127,311	10.0%	174,960	10.0%
	<u>3,919,460</u>		<u>3,018,660</u>	

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

	2019		2018	
	Debt £	Fair value £	Debt £	Fair value £
Non-current				
Bank borrowings	1,918,896	1,658,146	1,777,718	1,353,529
Loans from parent company	2,940,147	2,547,731	2,032,344	1,860,375
Finance leases	93,326	77,129	183,855	131,450
	<u>4,952,369</u>	<u>4,283,006</u>	<u>3,993,917</u>	<u>3,345,354</u>
Current				
Bank borrowings	3,792,149	3,792,149	2,843,700	2,843,700
Finance leases	127,311	127,311	174,960	174,960
	<u>3,919,460</u>	<u>3,919,460</u>	<u>3,018,660</u>	<u>3,018,660</u>

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 2019

16. Loans and borrowings *(continued)*

The maturity profile of loans and borrowings is as follows:

	2019 £	2018 £
Less than one year	3,919,460	3,018,660
Between one and five years	4,481,385	3,994,455
Over five years	470,984	—
Total loans and borrowings	<u>8,871,829</u>	<u>7,013,115</u>

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 Poly Technik Limited.
- Unlimited multilateral cross company guarantee given by the Parent company and the Subsidiary.
- Company guarantee to be given by Astral Poly Technik Limited to Secure the liabilities of the Parent company to £1,911,500 and letter of comfort provided.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

17. Trade and other payables

Group	2019	2018
	£	£
Current		
Trade payables	2,730,504	2,190,339
Other payables	5,730	25,646
Accruals	411,216	274,846
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	3,147,450	2,490,831
Corporation tax	157,939	127,392
Other taxation and social security	465,614	402,544
Total trade and other payables	3,771,003	3,020,767
 Company		
	2019	2018
	£	£
Current		
Trade payables	2,566,671	2,045,034
Other payables	5,730	25,646
Accruals	386,064	262,918
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	2,958,465	2,333,598
Corporation tax	157,939	127,392
Other taxation and social security	459,157	398,604
Total trade and other payables	3,575,561	2,859,594

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

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

18. Deferred taxation

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

	Group and company	
	2019	2018
	£	£
Provision brought forward	141,181	165,946
Increase/ (Decrease) in provision	1,989	(24,465)
Provision carried forward	143,170	141,481

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

	2019		2018	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Group and Company				
Excess of taxation allowances over depreciation on fixed assets	143,170	—	141,481	—

19. Share capital

Group and Company

Allotted, called up and fully paid:

	2019		2018	
	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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

20. Reserves *(continued)*

	Foreign exchange reserve £	Retained earnings £
Group		
Balance at 1 April 2018	(94,932)	2,939,138
Profit for the year	—	641,791
Foreign exchange reserve	51,301	—
Balance at 31 March 2019	(43,631)	3,580,929
	Foreign exchange reserve £	Retained earnings £
Group		
Balance at 1 April 2017	(112,271)	2,887,040
Profit for the year	—	52,098
Foreign exchange reserve	17,339	—
Balance at 31 March 2018	(94,932)	2,939,138
	Foreign exchange reserve £	Retained earnings £
Company		
Balance at 1 April 2018	118,437	3,253,023
Profit for the year	—	874,375
Foreign exchange reserve	(36,171)	—
Balance at 31 March 2019	82,266	4,127,398
	Foreign exchange reserve £	Retained earnings £
Company		
Balance at 1 April 2017	—	3,061,022
Profit for the year	—	192,001
Foreign exchange reserve	118,437	—
Balance at 31 March 2018	118,437	3,253,023

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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

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 2019 the provision for impairment of trade and other receivables totalled £39,571. At 31 March 2019, trade and other receivables totalling £27,009 were considered past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

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 and 3 years £	Between 3 and 5 years £	Over 5 years £
At 31 March 2019				
Loans and borrowings	3,919,460	1,082,895	3,398,490	470,984
Trade payables	2,730,504	–	–	–
	<u>6,649,964</u>	<u>1,082,895</u>	<u>3,398,490</u>	<u>470,984</u>

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

21. Financial instruments – risk management (continued)

	Less than 1 year £	Between 1 and 3 years £	Between 3 and 5 years £	Over 5 years £
At 31 March 2018				
Loans and borrowings	3,018,860	539,001	3,455,454	–
Trade and other payables (excluding non-financial liabilities)	2,490,831	–	–	–
	<u>5,509,491</u>	<u>539,001</u>	<u>3,455,454</u>	<u>–</u>

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

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	856,184	148,990
Trade receivables	<u>4,338,227</u>	<u>3,348,893</u>
	<u>5,194,411</u>	<u>3,497,883</u>

	2019		2018	
	Financial liabilities at amortised cost £	Financial liabilities at fair value £	Financial liabilities at amortised cost £	Financial liabilities at fair value £
Financial liabilities				
Trade payables	2,730,504	–	2,490,831	–
Loans from Group undertakings	2,940,147	–	2,032,882	–
Bank borrowings	5,711,045	–	4,621,418	–
Finance leases	220,637	–	358,815	–
	<u>11,602,433</u>	<u>–</u>	<u>9,503,946</u>	<u>–</u>

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

22. Financial instruments (continued)

b) Analysis of Fair values

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	856,184	148,990
Trade and other receivables	4,338,227	3,348,893
	<u>5,194,411</u>	<u>3,497,883</u>

	2019		2018	
	Financial liabilities at amortised cost £	Fair values £	Financial liabilities at amortised cost £	Fair values £
Financial liabilities				
Trade and other payables (excluding non-financial liabilities)	2,730,504	2,730,504	2,490,831	2,490,831
Loans from Group undertakings	2,940,147	2,535,145	2,032,882	1,860,375
Bank borrowings	5,711,045	4,882,014	4,620,418	4,197,229
Finance leases	220,637	210,441	358,815	306,410
	<u>11,602,433</u>	<u>10,358,104</u>	<u>9,502,946</u>	<u>8,854,845</u>

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 finance 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.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2019

23. Leases

Group and Company

Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows:

	2019 £	2018 £
Amounts payable within 1 year	127,311	201,424
Amounts payable between 1 and 2 years	93,326	180,542
	220,637	381,966
Less interest and finance charges relating to future periods	(10,196)	(23,151)
Present value of finance lease liabilities	210,441	358,815

The present value of finance lease liabilities is as follows:

	2019 £	2018 £
No later than 1 year	120,661	183,855
Later than 1 year and no later than 5 years	89,780	174,960
	210,441	358,815

Commitments under operating leases

The Group leases various properties under non-cancellable operating lease agreements. The lease terms are between 2 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. The Group also leases various vehicles, plant and equipment under non-cancellable lease agreements.

The lease expenditure charged to the income statement during the year is disclosed in note 5.

The future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	500	500
Later than 1 year and less than 5 years	500	1,000
	1,000	1,500

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2019

24. Related party transactions

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

	2019 £	2018 £
Astral Poly Technik Limited	2,940,147	2,032,882

The increase in amounts owed to Astral Poly Technik Limited, the parent Company, result from further loans of £918,110. Loans were made on an arm's length basis. During the year accrued interest charges amounted to £91,547 and repayments in the period amounted to £102,392.

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 which will be payable on 26 August 2019 and 26 August 2020, in the amount of £100,000 for each payment, provided certain criteria are met. £40,000 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.

25. Ultimate parent company

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