

SEAL IT SERVICES LIMITED

Financial Statements

FY 2022-23

COMPANY REGISTRATION NUMBER: 04487206

SEAL IT SERVICES LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2023

Seal It Services Limited

Financial statements

Year ended 31 March 2023

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Seal It Services Limited

Officers and professional advisers

Company registration number	04487206
The board of directors	Mr D Moore Mr S Engineer Mrs J Engineer Mr D Morgan
Registered office	Unit G16 Lowfields Business Park Riverbank Way Lacey Way, Elland West Yorkshire HX5 9DN
Auditor	BDO Northern Ireland Metro Building 1 st Floor 6-9 Donegall Square South Belfast BT1 5JA
Bankers	HSBC 4th Floor, City Point 29 King Street Leeds LS1 2HL
Solicitors	Ramsdens Solicitors LLP 1 Hungerford Road Huddersfield HD3 3AL

Seal It Services Limited

Strategic report

Year ended 31 March 2023

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 12 and 13 show a profit before taxation of £1,730,391 (2022: £3,341,745). The equity attributable to owners of the parent company totaled £9,965,015 (2022: £8,861,132).

The Group have seen steady sales growth during the year to March 2023 during a challenging year affected by:

- raw material price and availability on silica/silicone-sourced materials in the first half of the year
- the global pricing effects related to oil-derived raw material supplies affected by the Russia/Ukraine conflict and
- towards the end of the year, competitors looking to clear stocks at lower prices with Bond It reducing margins to maintain customer supply relationships.

The Group remain well placed within the Building and Construction sector to maintain sales growth whilst protecting our margin position which is starting to become evident in recent weeks. Recent activity has seen major Building Merchant Buying Groups seeing our business to be at a strategic size to be able to support supply to their purchase platforms so we believe we shall see significant growth opportunities develop in the coming years from these sources.

We see continued demand for the Group's products and with new manufacturing initiatives underway to improve output efficiencies coupled with the launch of new products to the range will help drive growth and margin improvement.

Margin improvement 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:

	2023	2022
Turnover	£35,751,759	£32,666,047
Trade Receivable Days	72	76

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.

The UK Operations of the Group holds ISO9001 (Customer Service and Quality Control), ISO 14001 (Environmental) and ISO 45001 (Occupational Health & Safety) and are business critical areas that are independently audited on a 6 monthly basis by the Awarding Body, Alucmus, covered by Certificate 6152 that runs until our recertification date on 27th March 2025.

There are no outstanding non-conformances or observations.

We are in progress to introduce ISO 9001 into our North Carolina Manufacturing operation by the end of 2023.

Seal It Services Limited

Strategic report

Year ended 31 March 2023

Risk management (continued)

The Group monitor the supply chain and the risk that this could pose to the future of the business.

This has been particularly challenging during the last financial year with UK/EU supply of silica/silicone polymer running at 40% availability with a x5 price increase in place which took over 9 months to see this return to more usual supply profiles.

A program of second sourcing and alternative supply routes have been established to minimize supply risks going forward on all key materials in use. The directors are confident that there is no one single supply partner that could materially affect the results of the business going forward and are moving to a model to reduce the reliance on outside suppliers by making the operation of the Group more vertical.

The Directors have considered and proactively implemented models, risk assessments and plans to successfully steer the Group through a challenging year affected by the most challenging period for key raw material supplies. Sourcing from China on key materials was essential but this had an impact on landed costs due to high shipping costs from Far East but also required high stock levels being held to maintain customer supplies. Our collective efforts have supported the business well in supporting our sales growth through this year.

In February 2023, the UK operation suffered a major IT server breach which disabled the group's main IT operating systems until mid-March 2023.

In the 4 weeks concerned, our Disaster Recovery plan was implemented within 24 hours utilizing manual documentation process for our full customer serving arrangements. These actions ensured that the last 6 weeks of the financial year were kept largely in line with sales expectations. We fulfilled our obligations in reporting the incident to the Information Commissioner's Office who were satisfied that there was no personal data breach and no further action required.

A new server system is now fully operational with 3 levels of back-up storage and system design changes to make significant improvements to our overall cyber-security in-place.

Development and performance of the business

The directors are satisfied with the sales growth of the business in the period under review but recognize that the challenging supply chain in place this has affected our margin position. In addition to sales value growth, margin recovery and improvement will be a key focus in the coming year.

The directors have invested heavily both in management skills/know-how and in fixed assets to provide capacity improvements and to increase manufacturing efficiencies to ensure that the business is well placed to deal with the continuing growth.

Principal risk and uncertainties

In common with all companies operating in the United Kingdom, the longer term effect of Brexit has been felt with regulatory changes/added costs to operate and in particular transport of goods between UK/EU and raw material shortages and unit costs for supply are all key risks to the group.

Economic risk

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

Competition risk

The Group manages competition risk through close attention to customer service levels, sourcing competitive products and seeking new products to offer customers greater options by working with our business.

Financial risk

All key financial figures are monitored on an ongoing basis.

Seal It Services Limited

Strategic report

Year ended 31 March 2023

Supply chain risk

The effects of Brexit and specific changes to the supply of silicon metal and silicone-products from China (hold 70% of global supply) and the effect on oil-derived materials as a result of the Russia/Ukraine conflict have caused worldwide supply chain shortages with many key commodities materials in short supply, on allocation and subject to significantly higher transportation costs. These shortages have also caused cost inflation to essential raw materials. The Group are managing this situation closely and seek to pass on these costs where possible. The Group do not enter into long term pricing contracts with any customer.

Price risk

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

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 10th May 2023 and signed on behalf of the board by:

Dean Morgan

[Dean Morgan \(May 10, 2023 17:25 GMT+1\)](#)

Mr D M Morgan
Managing Director

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

Seal It Services Limited

Directors' report

Year ended 31 March 2023

The directors present their report and financial statements for the year ended 31 March 2023.

Financial risk management objectives and policies

The Group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk, price risk and exchange risk. The Group has in place a risk management program 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 D Moore
Mr S Engineer
Mrs J Engineer
Mr D Morgan

Strategic report

The strategic report is included at pages 3 to 5.

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 UK adopted International Accounting Standards.

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

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

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

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

Seal It Services Limited

Directors' report

Year ended 31 March 2023


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 10th May 2023 and signed on behalf of the board by:


[Dean Morgan \(May 10, 2023 17:25 GMT+1\)](#)

Mr D M Morgan
Director

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

Seal It Services Limited

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

Year ended 31 March 2023

Opinion on the financial statements

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 2023 which comprise the which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Company 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 UK adopted International Accounting Standards 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 2023 and of the group's profit for the year then ended;
- The group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards.
- The parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provision of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Independence

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Seal It Services Limited

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

Year ended 31 March 2023

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken during the audit:

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

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

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

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

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

Year ended 31 March 2023

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

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

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

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management; and
- Considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

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

Seal It Services Limited

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

Year ended 31 March 2023

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

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

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

This description forms part of our auditor's report.

Use of our report

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



Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Metro Building 1st Floor
6-9 Donegall Square South
Belfast
BT1 5JA
11 May 2023

Seal It Services Limited

Consolidated statement of profit and loss and other comprehensive income 31 March 2023

	Note	2023 £	2022 £
Continuing operations			
Revenue	3	35,751,759	32,666,047
Cost of sales		(24,731,726)	(21,152,626)
Gross profit		11,020,033	11,513,421
Distribution expenses		(3,162,360)	(2,901,661)
Administrative expenses		(5,716,427)	(4,999,194)
Operating profit		2,141,246	3,612,566
Finance expenses	7	(410,855)	(270,821)
Profit before taxation		1,730,391	3,341,745
Taxation	9	(463,173)	(554,667)
Profit for the year		1,267,218	2,787,078
 Other comprehensive income			
Items that may be reclassified to the consolidated statement of profit and loss and other comprehensive income:			
Foreign exchange (losses)/gains		(163,335)	174,454
Taxation		-	-
Other comprehensive income net of tax		(163,335)	174,454
Total comprehensive income for the year		1,103,883	2,961,532
 Attributable to:			
Equity holders of the Company		1,103,883	2,961,532

All the activities of the Group are from continuing operations.

Seal It Services Limited

Consolidated statement of financial position

31 March 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Intangible assets	10	2,389,769	2,389,769
Property, plant and equipment	11a	5,058,344	4,528,500
Right of use assets	11b	381,738	1,001,514
		7,829,851	7,919,783
Current assets			
Inventory	13	6,882,592	7,396,735
Trade and other receivables	14	7,998,344	7,674,307
Cash and cash equivalents	15	1,551,272	1,457,848
		16,432,208	16,528,890
Total assets		24,262,059	24,448,673
Liabilities			
Non-current liabilities			
Loans and borrowings	16	3,885,255	3,801,765
Lease liabilities	11b	22,773	334,692
Deferred tax liabilities	18	160,126	161,397
		4,068,154	4,297,854
Current liabilities			
Loans and borrowings	16	4,066,505	4,724,052
Lease liabilities	11b	196,464	347,026
Trade and other payables	17	5,965,921	6,218,609
		10,228,890	11,289,687
Total liabilities		14,297,044	15,587,541
Net assets		9,965,015	8,861,132
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	10,176,524	8,909,306
Foreign exchange reserve	20	(211,609)	(48,274)
Total equity		9,965,015	8,861,132

These financial statements were approved by the board of directors and authorized for issue on 10th May 2023 and are signed on behalf of the board by:

Dean Morgan

Dean Morgan (May 10, 2023 17:25 GMT+1)

Mr D Morgan
Director

Company registration number: 04487206

The notes on pages 17 to 50 form part of these financial statements.

Seal It Services Limited

Company statement of financial position

31 March 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Property, plant and equipment	11a	3,946,239	3,895,239
Right of use assets	11b	260,867	674,902
Investments	12	542,340	542,340
Other receivables	14	6,884,237	5,025,956
		11,633,683	10,138,437
Current assets			
Inventory	13	5,125,765	6,501,561
Trade and other receivables	14	7,110,655	6,741,091
Cash and cash equivalents	15	1,403,914	1,362,668
		13,640,334	14,605,320
Total assets		25,274,017	24,743,757
Liabilities			
Non-current liabilities			
Loans and borrowings	16	3,885,255	3,801,765
Lease liabilities	11b	22,773	198,273
Deferred tax liabilities	18	160,126	161,397
		4,068,154	4,161,435
Current liabilities			
Loans and borrowings	16	4,066,505	4,724,052
Lease liabilities	11b	82,278	164,595
Trade and other payables	17	5,552,354	5,903,886
		9,701,137	10,792,533
Total liabilities		13,769,291	14,953,968
Net assets		11,504,726	9,789,789
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	11,504,626	9,789,689
Foreign exchange reserve	20	-	-
Total equity		11,504,726	9,789,789

The profit for the financial year of the parent company was £1,714,937 (2022: £2,936,829)

These financial statements were approved by the board of directors and authorized for issue on 10th May 2023 and are signed on behalf of the board by:

Dean Morgan

Dean Morgan (May 10, 2023 17:25 GMT+1)

Mr D Morgan
Director

Company registration number: 04487206

The notes on pages 17 to 50 form part of these financial statements.

Seal It Services Limited

Consolidated statement of changes in equity

31 March 2023

Consolidated statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2022	100	(48,274)	8,909,306	8,861,132
Profit for the year	-	-	1,267,218	1,267,218
Foreign Currency Loss	-	(163,335)	-	(163,335)
Total comprehensive income for the year	-	(163,335)	1,267,218	1,103,883
At 31 March 2023	100	(211,609)	10,176,524	9,965,015

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2021	100	(222,728)	6,122,228	5,899,600
Profit for the year	-	-	2,787,078	2,787,078
Foreign Currency Gain	-	174,454	-	174,454
Total comprehensive income for the year	-	174,454	2,787,078	2,961,532
At 31 March 2022	100	(48,274)	8,909,306	8,861,132

Company statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2022	100	-	9,789,689	9,789,789
Profit for the year	-	-	1,714,937	1,714,937
Foreign Currency loss	-	-	-	-
Total comprehensive income for the year	-	-	1,714,937	1,714,937
At 31 March 2023	100	-	11,504,626	11,504,726

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2021	100	34,510	6,852,860	6,887,470
Profit for the year	-	-	2,936,829	2,936,829
Foreign Currency Loss	-	(34,510)	-	(34,510)
Total comprehensive income for the year	-	(34,510)	2,936,829	2,902,319
At 31 March 2022	100	-	9,789,689	9,789,789

Seal It Services Limited

Consolidated statement of cash flows

Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit after taxation		1,267,218	2,787,078
Adjustment for:			
Depreciation and amortization	11a & 11b	1,069,398	1,036,836
Net finance costs	7	410,855	270,821
(Profit)/Loss on disposal of tangible assets		(3,331)	38
Accrued expenses		(411,957)	506,964
Foreign currency		(197,026)	9,674
Tax on profit of ordinary activities	9	463,173	554,667
		2,598,330	5,166,078
Changes in working capital:			
Movement in inventory		514,143	(3,555,541)
Movement in trade and other receivables		(320,289)	(1,606,693)
Movement in trade and other payables		632,675	799,039
Cash generated from operations		3,424,859	802,883
Interest paid		(423,602)	(270,951)
Income tax paid		(936,872)	(432,417)
Net cash inflow from operating activities		2,064,385	99,515
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,111,603)	(613,612)
Proceeds from sale of tangible assets		13,746	151
Net cash outflow from investing activities		(1,097,857)	(613,461)
Cash flows from financing activities			
Payment of lease liabilities		(309,656)	(434,278)
Proceeds from bank loans		363,001	2,250,621
Repayment of bank loans		(926,449)	(332,114)
Net cash (outflow)/inflow from financing activities		(873,104)	1,484,229
Net increase in cash and cash equivalents		93,424	970,283
Cash and cash equivalents at 1 April		1,457,848	487,565
Cash and cash equivalents at 31 March	15	1,551,272	1,457,848

The notes on pages 17 to 50 form part of these financial statements.

Seal It Services Limited

Notes to the financial statements

Year ended 31 March 2023

1. General information

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

The consolidated financial statements were authorized for issue by the board of directors on 9th May 2023.

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 UK Adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention.

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

Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, provide the directors reasonable expectations 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 while having adequate financial resources to meet its obligations when they fall due.

The parent company, Astral Limited, has pledged to support the Group for a period of at least 12 months from the date of the approval of the financial statements. The Group has an amount owing to Astral Limited of £2,828,699 and they have confirmed they will not recall this balance to such times as the Group has the adequate resources to repay this balance.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all Group undertakings. Intercompany transactions and balances between the Group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirees identifiable assets, liabilities and contingent liabilities are initially recognized 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 2023

2. Accounting policies (continued)

Exemptions

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented the statement of profit and loss and other 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 recognized 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 Group 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 Group prior to dispatch.
- 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 recognized such that it is highly probable that there will not be a reversal of previously recognized revenue when goods are returned.

Allocating amounts to performance obligations

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

Interest expense recognition

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

Employee benefits: pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense over the period of employee service.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

2. Accounting policies (continued)

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 recognized in the statement of profit & loss & other comprehensive income.

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 recognized 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:

	2023	2022
United States dollar	1.23670	1.31330

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.

Subsequent costs are included in the asset's carrying amount or recognized 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 statement of profit and loss and other comprehensive income 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 in case where management does not intent to take ownership at the end of the lease period and over their useful lives if the ownership reverts to the Group at the lease term end.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

2. Accounting policies *(continued)*

Property, plant & equipment *(continued)*

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 or over their useful lives if the ownership reverts to the Group at the lease term end.

Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold & Leasehold Property	- 4% - 10% Straight Line
Plant & Machinery	- 10% - 20% Straight Line
Fixtures & Fittings	- 12.5% -20% Straight Line
Motor Vehicles	- 20% Straight Line
Equipment	- 20% - 33% Straight Line

Leases

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

Group as a lessee

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

a. Right-of-use assets

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

b. Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in

2. Accounting policies (continued)

Property, plant & equipment (continued)

the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

When remeasuring the lease liability to reflect the modified term The Group are using a revised incremental borrowing rate as discount rate, determined at the modification date. The difference between the lease liability adjustment and the adjustment to ROU asset is recognized as loss/gain on modification in the statement of profit and loss and other comprehensive income.

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

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

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 capitalized 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 recognized for goodwill is not reversed.

Investments

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

Impairment of non-current assets

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first in first out basis. Cost comprises material costs, direct wages. Net realizable 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

2. Accounting policies (continued)

Financial assets (continued)

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 recognized at fair value and are subsequently stated at amortized 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 for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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 recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit & loss & other comprehensive income over the period of the borrowings using the effective interest method.

Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognized 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

2. Accounting policies (continued)

Income tax (continued)

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 realization 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

Share capital

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

Dividend distribution

Dividend distribution to the Group's shareholders is recognized 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).

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 maximized.

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the Group may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processed during the period ended 31 March 2023.

2. Accounting policies (continued)

Changes in accounting policies

New standards, interpretations, and amendments not yet effective

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

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3). These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2022. See the applicable notes for further details on how the amendments affected the Group.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Group, prior to the application of the amendments, did not have any onerous contracts.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

These amendments had no impact on the year-end consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41: Taxation in Fair Value Measurements

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

2. Accounting policies (continued)

New standards, interpretations, and amendments not yet effective (continued)

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

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

Critical accounting judgements and estimates

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

The directors consider that the following estimates or judgements are likely to have a significant effect on the amounts recognized 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

3. 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.

Primary Geographic Markets

	2023	2022
	£	£
UK Sales	31,643,435	28,819,093
US sales	2,944,076	2,640,687
EU sales	986,572	1,117,469
Other	177,676	88,798
	35,751,759	32,666,047

All sales relate to goods and timing of the transfer of goods is on delivery to the customer premises or upon loading onto the vehicle if collected by the customer.

4. Expenses by nature

	2023	2022
	£	£
Raw materials and consumables used	22,392,620	19,177,621
Employee costs	5,206,053	4,732,092
Depreciation and amortization	1,069,398	1,036,836
Other sales expenses	648,531	494,383
Repairs	286,638	217,323
Other cost of sales	432,510	405,889
Transport	1,495,641	1,309,293
Finance costs	410,855	270,821
Foreign currency (gains)/losses	(337,635)	(198,023)
Other administrative costs	2,416,757	1,878,067
	34,021,368	29,324,302

5. Employee numbers

Staff members:

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

	2023	2022
Number of production staff	70	66
Number of distribution staff	25	19
Number of administrative staff	56	55
Number of management staff	4	4
	155	144

Out of the average staff numbers 18 (2022: 17) are employed by the subsidiary Seal It Inc.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

6. Payroll costs

Payroll costs:

The aggregate payroll costs of the above (including directors) were:

	2023	2022
	£	£
Wages and salaries	4,601,968	4,228,762
Employers' national insurance contributions and similar taxes	498,812	371,275
Defined contribution pension cost	105,273	132,055
	5,206,053	4,732,092

Directors' remuneration:

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

	2023	2022
	£	£
Remuneration receivable	322,242	269,258
Defined contribution pension cost	31,429	70,491
	353,671	339,749

Remuneration of highest paid director:

	2023	2022
	£	£
Remuneration receivable	165,167	113,284
Defined contribution pension costs	23,785	62,921
	188,952	176,205

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

	2023	2022
	No.	No.
Money purchase schemes	2	2

Key management compensation:

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

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

	2023	2022
	£	£
Remuneration receivable	465,824	269,258
Defined contribution pension cost	3,082	70,491
	468,906	339,749

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

6. Payroll costs (continued)

Retirement benefits:

The Group runs a defined benefit pension scheme for its employees. During the year, the Group made contributions of £ 105,273 (2022: £132,055).

7. Finance expense

	2023	2022
	£	£
Interest expense on financial liabilities measured at amortised cost and other similar charges	398,718	237,241
Interest expense on lease liabilities	12,137	33,580
	410,855	270,821

8. Auditors' remuneration

	2023	2022
	£	£
Auditors' remuneration: - as auditor	27,500	32,069
Audit related services	23,859	-
Other services:		
- taxation services	34,707	26,275
	86,066	58,344

9. Taxation

(a) Analysis of charge in the year	2023	2022
	£	£
Current tax:		
In respect of the year:		
Current tax based on the results for the year at 19% (2022 - 19%)	453,081	639,837
Over provision in prior year	11,363	(15,791)
Total current tax	464,444	624,046
Deferred tax:		
Origination and reversal of timing differences	(13,296)	32,875
Effect of tax rate change on opening balances	-	30,845
Adjustments in respect of prior periods`	12,025	(133,099)
Total tax charge	463,173	554,667

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% (2022 - 19%).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

9. Taxation (continued)

(b) Factors affecting current tax charge	2023	2022
	£	£
Profit before taxation	1,730,391	3,341,745
Profit by rate of corporation tax in UK	328,774	634,932
Expenses not deductible for tax purposes	3,023	1,412
Income not taxable for tax purposes	(728)	(1)
Surplus of depreciation over capital allowances	14,290	26,488
Adjustments to tax charge in respect of previous periods	11,363	(15,791)
Remeasurement of deferred tax for change in tax rate	(3,193)	38,736
Adjustments to tax charge in respect of previous periods – deferred tax	12,025	(133,099)
Transfer pricing adjustment	15,140	1,990
Other timing differences	82,479	-
Total tax charge	463,173	554,667

Factors affecting tax charges in future years

Deferred taxes reflected in these financial statements have been measured using the enacted tax rates at the Balance Sheet date. Following on from the Budget of 3 March 2021 the UK corporation tax rate will change effective April 2023 from 19% to 25%. As a result, deferred tax balances have been measured at the rate at which they are expected to unwind in the future, either 24% or 25% depending on the timing.

10. Intangible Assets

	Goodwill
Cost	£
At 1 April 2022	2,389,769
Additions acquired through business combinations	-
At 31 March 2023	2,389,769
Amortisation and impairment	
At 1 April 2022	-
Amortisation and impairment during the year	-
At 31 March 2023	-

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

10. Intangible Assets (continued)

Carrying amount

At 31 March 2023	2,389,769
At 31 March 2022	2,389,769

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate 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 2023 and this will be re-assessed annually going forward.

Management reviews the business performance based on operating segments identified as UK and US. Goodwill with indefinite useful lives are monitored by management at operating segment level. All 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:

	2023	2022
Compound revenue growth	10%	10%
Long term growth rate	10%	10%
Discount rate	6%	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.

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2023

11. (a) Property, Plant and Equipment

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2022	3,405,266	5,560,015	678,000	82,073	509,307	10,234,661
Additions	604,733	327,497	99,159	-	73,096	1,104,485
Disposals	(1,275)	(4,640)	(15,182)	(16,950)	-	(38,047)
Transfer / Reclassification	(5,929)	(123,756)	(12,639)	-	25,824	(116,500)
From right-of-use assets	-	355,139	-	-	-	355,139
FX	(5,356)	77,103	737	-	3,176	75,660
At 31 Mar 2023	3,997,439	6,191,358	750,075	65,123	611,403	11,615,398
Depreciation						
At 1 Apr 2022	786,862	4,054,382	412,321	52,322	400,274	5,706,161
Charge for year	167,622	500,616	68,114	8,505	68,302	813,159
Disposals	-	-	(15,182)	(16,950)	-	(32,132)
Transfer / Reclassification	(4,043)	(107,275)	(14,360)	-	9,175	(116,503)
From right-of-use assets	-	141,302	-	-	-	141,302
FX	1,165	41,233	838	-	1,831	45,067
At 31 Mar 2023	951,606	4,630,258	451,731	43,877	479,583	6,557,054
Net book value						
At 31 Mar 2023	3,045,833	1,561,100	298,344	21,246	131,821	5,058,344
At 31 Mar 2022	2,618,404	1,505,633	265,679	29,751	109,033	4,528,500

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2021	3,405,994	5,086,943	556,688	62,143	360,891	9,472,659
Additions	2,038	571,857	40,575	23,990	61,213	699,673
Disposals	-	-	-	-	(282)	(282)
Transfer / Reclassification	(7,342)	(319,688)	80,164	(4,060)	85,034	(165,892)
From right-of-use assets	-	130,720	-	-	-	130,720
FX	4,576	90,183	573	-	2,451	97,783
At 31 Mar 2022	3,405,266	5,560,015	678,000	82,073	509,307	10,234,661
Depreciation						
At 1 Apr 2021	668,700	3,770,503	330,002	33,740	275,831	5,078,776
Charge for year	130,023	443,466	63,955	6,906	58,492	702,842
Disposals	-	-	-	-	(93)	(93)
Transfer / Reclassification	(13,084)	(246,691)	17,713	11,676	64,494	(165,892)
From right-of-use assets	-	54,364	-	-	-	54,364
FX	1,223	32,740	651	-	1,550	36,164
At 31 Mar 2022	786,862	4,054,382	412,321	52,322	400,274	5,706,161
Net book value						
At 31 Mar 2022	2,618,404	1,505,633	265,679	29,751	109,033	4,528,500
At 31 Mar 2021	2,737,294	1,316,440	226,686	28,403	85,060	4,393,883

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2023

11. (a) Property, Plant and Equipment (continued)

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2022	3,309,731	4,298,408	666,098	82,073	455,382	8,811,692
Additions	18,958	273,493	99,159	-	64,577	456,197
Disposals	(1,275)	(4,500)	(15,182)	(16,950)	-	(37,907)
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	355,139	-	-	-	355,139
At 31 Mar 2023	3,327,414	4,922,550	750,075	65,123	519,969	9,585,113
Depreciation						
At 1 Apr 2022	760,486	3,339,632	398,799	52,322	365,214	4,916,453
Charge for year	143,255	342,779	68,114	8,505	50,596	613,249
Disposals	-	-	(15,182)	(16,950)	-	(32,132)
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	141,312	-	-	-	141,312
At 31 Mar 2023	903,741	3,823,723	451,731	43,877	415,810	5,638,882
Net book value						
At 31 Mar 2023	2,423,673	1,098,817	298,344	21,246	104,159	3,946,239
At 31 Mar 2022	2,549,245	958,776	267,299	29,751	90,168	3,895,239

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2021	3,317,073	4,074,235	545,359	62,143	322,985	8,321,795
Additions	-	413,141	40,575	23,990	47,645	525,351
Disposals	-	-	-	-	(282)	(282)
Transfer / Reclassification	(7,342)	(319,688)	80,164	(4,060)	85,034	(165,892)
From right-of-use assets	-	130,720	-	-	-	130,720
At 31 Mar 2022	3,309,731	4,298,408	666,098	82,073	455,382	8,811,692
Depreciation						
At 1 Apr 2021	647,887	3,244,045	317,131	33,740	255,234	4,498,037
Charge for year	125,683	287,914	63,955	6,906	45,579	530,037
Disposals	-	-	-	-	(93)	(93)
Transfer / Reclassification	(13,084)	(246,691)	17,713	11,676	64,494	(165,892)
From right-of-use assets	-	54,364	-	-	-	54,364
At 31 Mar 2022	760,486	3,339,632	398,799	52,322	365,214	4,916,453
Net book value						
At 31 Mar 2022	2,549,245	958,776	267,299	29,751	90,168	3,895,239
At 31 Mar 2021	2,669,186	830,190	228,228	28,403	67,751	3,823,758

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

11. (b) Right of Use Assets and Liabilities

ROU - Group	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2022	485,248	516,266	1,001,514
Lease Modification	(174,405)	-	(174,405)
Amortisation	(197,115)	(59,124)	(256,239)
Transfer to PPE	-	(213,838)	(213,838)
FX	24,706	-	24,706
At 31 Mar 2023	138,392	243,304	381,738

Lease modification relates to shortening of the lease term for premises occupied by the Group.

ROU - Group	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2021	692,444	787,911	1,480,355
Transition reclassification	-	(86,061)	(86,061)
Amortisation	(224,766)	(109,228)	(333,994)
Transfer to PPE	-	(76,356)	(76,356)
FX	17,570	-	17,570
At 31 Mar 2022	485,248	516,266	1,001,514

In accordance with the group's right of use assets policy, during year the group has transferred assets of £355,139 (net of accumulated depreciation of £213,827) back to property, plant and equipment; the assets were at the end of their lease term and ownership reverted to the Group.

Lease Liabilities - Group

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2022	477,053	204,665	681,718
Lease Modification	(176,979)	-	(176,979)
Lease payments	(203,842)	(117,951)	(321,793)
Interest	7,487	4,650	12,137
FX	24,154	-	24,154
At 31 Mar 2023	127,873	91,364	219,237

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

11. (b) Right of Use Assets and Liabilities (continued)

Lease Liabilities - Group

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2021	680,561	418,273	1,098,834
Lease payments	(236,758)	(231,101)	(467,859)
Interest	16,088	17,493	33,581
FX	17,162	-	17,162
At 31 Mar 2022	477,053	204,665	681,718

The Group's lease liabilities comprise of lease in respect of properties in the jurisdiction in which the Group operates and certain items of plant and machinery and motor vehicles used in the Group's operating activities. Lease repayments comprise only of fixed payments over the lease terms.

Capital commitments - Group

	2023	2022
	£	£
Contracted but not provided for in the financial statements	358,048	533,008

This commitment relates to powder plant project, which is expected to finalise in 2024.

ROU - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2022	158,636	516,266	674,902
Lease Modification	(88,911)	-	(88,911)
Additions	-	-	-
Amortisation	(52,173)	(59,124)	(111,297)
Transfer to PPE	-	(213,827)	(213,827)
At 31 Mar 2023	17,552	243,315	260,867

ROU - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2021	140,747	787,911	928,658
Additions	-	-	-
Transition reclassification	69,338	(86,061)	(16,723)
Amortisation	(51,449)	(109,228)	(160,677)
Transfer to PPE	-	(76,356)	(76,356)
At 31 Mar 2022	158,636	516,266	674,902

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

11. (b) Right of Use Assets and Liabilities *(continued)*

In accordance with the company's right of use assets policy, during year the Company has transferred assets of £355,139 (net of accumulated depreciation of £213,827) back to property, plant and equipment; the assets were at the end of their lease term and ownership reverted to the Company.

Lease Liabilities - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2022	158,203	204,665	362,868
Lease Modification	(91,741)	-	(91,741)
Additions	-	-	-
Lease payments	(55,000)	(117,952)	(172,952)
Interest	2,226	4,650	6,876
At 31 Mar 2023	13,688	91,363	105,051

Lease Liabilities - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2021	196,559	418,273	614,832
Additions	-	-	-
Lease payments	(43,453)	(231,101)	(274,554)
Interest	5,097	17,493	22,590
At 31 Mar 2022	158,203	204,665	362,868

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

Capital commitments	2023	2022
	£	£
Contracted but not provided for in the financial statements	358,048	-

This commitment relates to powder plant project, which is expected to finalise in 2024.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

12. Investments

Company	Group companies £
Cost	
At 1 Apr 2022	542,340
Additions	-
Disposals	-
Net book value	
At 31 Mar 2023	542,340
At 31 Mar 2022	542,340

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

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

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

13. Inventories

Group	2023 £	2022 £
Raw materials	3,145,860	4,016,474
Work in progress	67,143	168,082
Finished goods	3,669,589	3,212,179
	6,882,592	7,396,735

The cost of inventories recognised as expenses and included in cost of sales amounted to £22,392,620 (2022: £19,177,621).

Company	2023 £	2021 £
Raw materials	2,813,485	3,839,708
Work in progress	59,239	161,277
Finished goods	2,253,041	2,500,576
	5,125,765	6,501,561

The cost of inventories recognised as expenses and included in cost of sales amounted to £21,735,737 (2022: £19,183,468).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

14. Trade and other receivables

Group

	2023	2022
	£	£
Trade receivables	7,246,841	7,008,768
Less: provision for trade receivables	(216,523)	(208,267)
Trade receivables – net	7,030,318	6,800,501
Total financial assets other than cash and cash equivalents classified as amortised cost	7,030,318	6,800,501
Other receivables	191,128	317,719
Prepayments and accrued income	776,898	556,087
Total trade and other receivables	7,998,344	7,674,307

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

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

At 31 March 2023, £3,845,041 (2022: £4,557,157) 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 receivables are denominated in the following currencies:

	2023	2022
	£	£
Sterling	6,234,788	5,983,012
US Dollars	795,530	817,489
	7,030,318	6,800,501

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

	2023	2022
	£	£
At 1 April	208,267	25,975
Increase in provision for trade receivables	8,256	182,292
At 31 March	216,523	208,267

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

14. Trade and other receivables (continued)

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the statement of profit and loss and other comprehensive income. 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 2023, trade receivables of £562,166 (2022: £443,533) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

	2023	2022
	£	£
Up to 3 months	49,797	-
3 to 6 months	38,332	103,341
Over 6 months	474,037	340,192
At 31 March	562,166	443,533

At 31 March 2023, trade receivables of £157,501 (2022: £157,848) were impaired. The ageing analysis of these trade receivables is as follows

	2023	2022
	£	£
Up to 3 months	4,234	-
3 to 6 months	2,352	18,343
Over 6 months	150,915	139,505
At 31 March	157,501	157,848

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

14. Trade and other receivables (continued)

Company

	2023	2022
	£	£
Trade receivables	6,290,437	6,033,037
Less: provision for trade receivables	(55,649)	(50,025)
Trade receivables – net	6,234,788	5,983,012
Receivables from group companies	6,884,237	5,025,956
Total financial assets other than cash and cash equivalents classified as amortised cost	13,119,025	11,008,968
Other receivables	162,563	259,938
Prepayments and accrued income	713,304	498,141
Total trade and other receivables	13,994,892	11,767,047
Less: non-current portion – receivables from group companies	6,884,237	5,025,956
Current portion	7,110,655	6,741,091

Current trade and other receivables are held at cost as fair value approximates cost. Trade and other receivables are considered past due once they have exceeded 30 days beyond their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days.

The amounts receivable from group companies are due for repayment after one year from 31 March 2023. The terms of the loan carry an interest charge of 6.0%, £169,069 (2022: £98,212), which has been charged to the company profit and loss.

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

	2023	2022
	£	£
Sterling	10,984,508	9,465,256
US Dollars	3,010,384	2,301,791
	13,994,892	11,767,047

Movements in the Company provision for trade receivables are as follows:

	2023	2022
	£	£
At 1 April	50,025	18,728
Increase in provision for trade receivables	5,624	31,297
At 31 March	55,649	50,025

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

14. Trade and other receivables (continued)

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 2023, trade receivables of £43,886 (2022: £28,176) were past due but not impaired. These relate to several independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2023	2022
	£	£
Up to 3 months	17,552	-
3 to 6 months	23,238	22,784
Over 6 months	3,096	5,392
At 31 March	43,886	28,176

At 31 March 2023, trade receivables of £8,999 (2022: £26,219) were impaired. The ageing analysis of these trade receivables is as follows:

	2023	2022
	£	£
Up to 3 months	4,234	-
3 to 6 months	2,352	18,343
Over 6 months	2,414	7,876
At 31 March	8,999	26,219

15. Cash and cash equivalents

Group

	2023	2022
	£	£
Cash and cash equivalents	1,551,272	1,457,848
	1,551,272	1,457,848

Cash and cash equivalents are denominated in either £ Sterling or \$ USD. Included within cash and cash equivalents is an overdraft balance of £Nil (2022: £Nil) denominated in £ Sterling and £Nil denominated in \$ USD.

Company

	2023	2022
	£	£
Cash and cash equivalents	1,403,914	1,362,668
	1,403,914	1,362,668

All cash and cash equivalents are denominated in £ Sterling.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

16. Loans and borrowings

Group	2023 £	2022 £
Non-current		
Bank borrowings - Secured	1,056,556	962,530
Loans from parent company	2,828,699	2,839,235
Total non-current loans and borrowings	3,885,255	3,801,765
	2023 £	2022 £
Current		
Bank borrowings - Secured	4,066,505	4,724,052
Total current loans and borrowings	4,066,505	4,724,052
Total loans and borrowings	7,951,760	8,525,817

All loans and borrowings are denominated in £ Sterling.

The interest rate profile of interest-bearing borrowings is as follows:

	2023		2022	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,056,556	6.25%	962,530	2.75%
Loans from parent company	2,828,699	6.00%	2,839,235	3.00%
	3,885,255		3,801,765	
Current				
Bank borrowings	4,066,505	6.01%	4,724,052	2.51%
	4,066,505		4,724,052	

The carrying amount and fair values of the borrowings is as follows:

	2023		2022	
	Debt £	Fair value £	Debt £	Fair value £
Non-current				
Bank borrowings – Secured	1,056,556	786,635	962,530	816,043
Loans from parent company	2,828,699	2,375,030	2,839,235	2,522,623
	3,885,255	3,161,665	3,801,765	3,338,666
Current				
Bank borrowings - Secured	4,066,505	4,066,505	4,724,052	4,724,052
	4,066,505	4,066,505	4,724,052	4,724,052

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

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:

	2023	2022
	£	£
Less than one year	4,066,505	4,724,052
Between one and five years	3,715,165	3,516,253
Over five years	170,090	285,512
Total loans and borrowings	7,951,760	8,525,817

Company

	2023	2022
	£	£
Non-current		
Bank borrowings - Secured	1,056,556	962,530
Loans from parent company	2,828,699	2,839,235
Total non-current loans and borrowings	3,885,255	3,801,765

	2023	2022
	£	£
Current		
Bank borrowings - Secured	4,066,505	4,724,052
Total current loans and borrowings	4,066,505	4,724,052
Total loans and borrowings	7,951,760	8,525,817

All loans and borrowings are denominated in £ Sterling.

The interest rate profile of interest-bearing borrowings is as follows:

	2023		2022	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings - Secured	1,056,556	6.25%	962,530	2.75%
Loans from parent company	2,828,699	6.00%	2,839,235	3.00%
	3,885,255		3,801,765	
Current				
Bank borrowings - Secured	4,066,505	6.01%	4,724,052	2.51%
	4,066,505		4,724,052	

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

16. Loans and borrowings (continued)

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

Non-current	2023		2022	
	Debt £	Fair value £	Debt £	Fair value £
Bank borrowings	1,056,556	786,635	962,530	816,043
Loans from parent company	2,828,699	2,375,030	2,839,235	2,522,623
	3,885,255	3,161,665	3,801,765	3,338,666
Current				
Bank borrowings	4,066,505	4,066,505	4,724,052	4,724,052
	4,066,505	4,066,505	4,724,052	4,724,052

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:

	2023	2022
	£	£
Less than one year	4,066,505	4,724,052
Between one and five years	3,715,165	3,516,253
Over five years	170,090	285,512
Total loans and borrowings	7,951,760	8,525,817

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 of the Parent Company including all present and future freehold and leasehold property, book and other debts chattels, goodwill both present and future.
- General letter of pledge given by the Parent Company.
- Contact monies charge given by the Parent Company.
- Loan Postponement form given by Astral Limited.
- Unlimited multilateral cross company guarantee given by the Parent Company and the Subsidiary.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

17. Trade and other payables

Group	2023	2022
	£	£
Current		
Trade payables	4,096,066	3,337,041
Other payables	206,276	182,859
Accruals	988,217	1,400,174
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	5,290,559	4,920,074
Corporation tax	(72,658)	400,748
Other taxation and social security	748,020	897,787
Total trade and other payables	5,965,921	6,218,609

£1,261,497 of trade and other payables are denominated in € Euro (2022: £811,488), £413,567 (2022: £314,721) is denominated in \$ US dollar, with all other amounts denominated in £ Sterling.

Company

	2023	2022
	£	£
Current		
Trade payables	3,864,808	3,140,397
Other payables	175,559	157,419
Accruals	841,015	1,310,603
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,881,382	4,608,419
Corporation tax	(72,658)	400,748
Other taxation and social security	743,630	894,719
Total trade and other payables	5,552,354	5,903,886

£1,261,497 of trade and other payables are denominated in Euro (2022: £811,488) with all other amounts denominated in £ Sterling.

18. Deferred Taxation

Group and Company

	2023	2022
	£	£
Provision brought forward	161,397	230,776
Decrease in provision	(1,271)	(69,379)
Provision carried forward	160,126	161,397

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

18. Deferred Taxation (continued)

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

	2023		2022	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	160,126	-	161,397	-

19. Share Capital

Group and Company

Allotted, called up and fully paid:

	2023		2022	
	No.	£	No.	£
X Ordinary shares of £1 each	80	80	80	80
Y Ordinary shares of £1 each	20	20	20	20
	100	100	100	100

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

20. Reserves

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

Foreign Exchange Reserve

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

Retained Earnings

All other net gains and losses not recognised elsewhere.

Group	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2022	(48,274)	8,909,306
Profit for the year	-	1,267,218
Foreign exchange reserve	(163,335)	-
Balance at 31 March 2023	(211,609)	10,176,524
	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2021	(222,728)	6,122,228
Profit for the year	-	2,787,078
Foreign exchange reserve	174,454	-
Balance at 31 March 2022	(48,274)	8,909,306

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

20. Reserves (continued)

Company	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2022	-	9,789,689
Profit for the year	-	1,714,937
Foreign exchange reserve	-	-
Balance at 31 March 2023	-	11,504,626

	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2021	34,510	6,852,860
Profit for the year	-	2,936,829
Foreign exchange reserve	(34,510)	-
Balance at 31 March 2022	-	9,789,689

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

21. Financial instruments – risk management

a) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans

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 Group 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. There is a spread of risks among a large number of customers. The group establishes an allowance for impairment in respect of trade receivables where recoverability is considered doubtful. The Group does not hold any security over assets as collateral.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

21. Financial instruments – risk management (continued)

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with minimum rating “A” are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 14.

Market risk

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

Liquidity risk

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

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

Financial liabilities have the following undiscounted maturity profile:

	Less than 1 year	Between 1 & 5 years	Over 5 years
At 31 March 2023			
Loans and borrowings	4,066,505	3,715,165	170,090
Lease Liabilities	196,463	13,129	-
Accruals	988,217	-	-
Other payable	206,276	-	-
Trade payables	4,096,066	-	-
	9,553,527	3,728,294	170,090
At 31 March 2022			
Loans and borrowings	4,724,052	3,516,253	285,512
Lease Liabilities	347,026	334,692	-
Accruals	1,400,174	-	-
Other payable	182,859	-	-
Trade payables	3,337,041	-	-
	9,991,152	3,850,945	285,512

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

21. Financial instruments – risk management (continued)

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.

	2023	2022
b) By category	£	£
Financial assets		
Cash and cash equivalents	1,551,272	1,457,848
Trade receivables	7,030,318	6,800,501
	8,581,590	8,258,349

	2023		2022	
	Financial liabilities at amortised cost	Financial liabilities at fair value	Financial liabilities at amortised cost	Financial liabilities at fair value
	£	£	£	£
Financial liabilities				
Trade payables	4,096,066	-	3,337,041	-
Accruals	988,217	-	1,400,174	-
Other payables	206,276	-	182,859	-
Loans from Group undertakings	2,828,699	-	2,839,235	-
Bank borrowings	5,123,061	-	5,686,582	-
Lease liabilities	219,236	-	681,718	-
	13,461,555	-	14,127,609	-

	2023	2022
b) Analysis of Fair values	£	£
Financial assets		
Cash and cash equivalents	1,551,272	1,457,848
Trade and other receivables	7,030,318	6,800,501
	8,581,590	8,258,349

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

21. Financial instruments – risk management (continued)

	2023		2022	
	Financial liabilities at amortised cost	Financial liabilities at fair value	Financial liabilities at amortised cost	Financial liabilities at fair value
	£	£	£	£
Financial liabilities				
Trade and other payables (excluding non-financial liabilities)	5,290,559	5,290,559	4,920,074	4,920,074
Loans from Group undertakings	2,828,699	2,375,030	2,839,235	2,522,623
Bank borrowings	5,123,061	4,854,424	5,686,582	5,540,095
Lease liabilities	219,236	218,351	681,718	671,734
	13,461,555	12,738,364	14,127,609	13,654,526

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

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

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

22. Related party transactions

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

	2023	2022
	£	£
Astral Limited	2,828,699	2,839,235

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

The Group entered into an incentive agreement with one of the directors of which £ 31,200 (2022: £31,200) was paid during the year and £ 200 to be paid in 2023/24. £ 200 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

23. Ultimate parent company

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

GEM PAINTS PRIVATE LIMITED

Financial Statements

FY 2022-23



INDEPENDENT AUDITOR'S REPORT

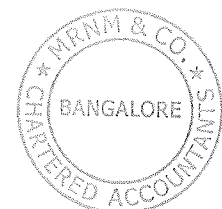
To the Members of Gem Paints Private Limited
Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Gem Paints Private Limited** ("*The Company*") which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and statement of Cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 *Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.





Other Matters

During the year under consideration the company has made provision for Gratuity for a sum of Rs 31.72 million and provision for Leave encasement Rs. 3.27 million which were pertaining to earlier financial years and the same has been reduced from the opening retained earnings and not routed through the statement of profit and loss. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

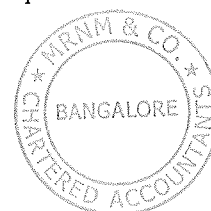
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the





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

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

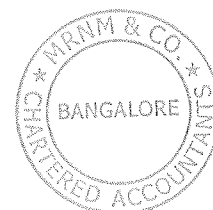
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 be reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

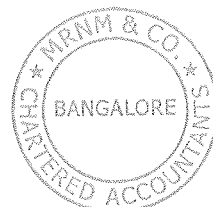
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit 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.



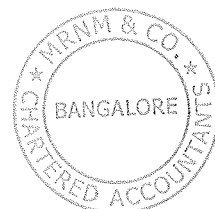


- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 “**Annexure-B**”, which is based on our audit. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- 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.
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note to accounts 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under subclauses (a) and (b) above contain any material misstatement.
- v. During the year company did not declare or paid dividend to its shareholders, hence, the same is not applicable





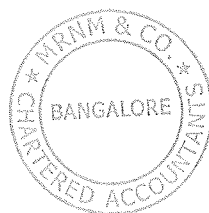
- vi. The Hon'ble Ministry of Company Affairs vide notification G.S.R 248(E) dated April 1, 2021 has deferred the requirement to maintain books of accounts which has a feature of recording audit trial. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for Company, considering that the applicability date of the proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 will commence on or after 1st April, 2023, in the absence of compliance requirement for the company we are not reporting under the rule 11(g) of Companies (Audit and Auditors) Rules, 2014

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S

Hetal N Shah
Hetal N Shah

Partner
Membership No: 223229
UDIN: 23223229BGQPCT5529

Place: Bengaluru
Date: 12-05-2023





"ANNEXURE-A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date on the accounts of the company for the year ended 31st March 2023)

- i. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.

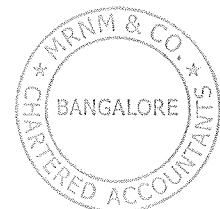
(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Fixed Assets have been physically verified by the management in a phased manner, 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 nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed

c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

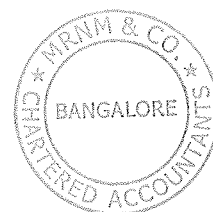
d) The Company has not revalued its Property, Plant and Equipment or Intangibles assets during the year ended March 31,2023.

e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act 1988, and rules made thereunder.



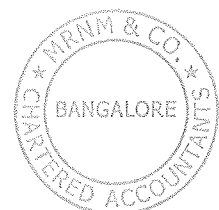


- ii. a) The inventories at all locations have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. The discrepancies between the physical stocks and book records, which were noticed on verification, have been properly dealt with in books of accounts. In our opinion and according to the information and explanations given to us we notice that the during the verification discrepancies of 10% or more were not noticed in aggregate for each class of inventory
- b) The Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from bank during the year on the basis of security of current assets of the company and the company has been filing quarterly returns/statements with the bank. The same are in line with the books of accounts.
- iii. In our opinion during the year the company has not made any investment or provided any guarantee to Companies, firms, Limited liability Partnerships or any other parties, however has granted loans and advances to other parties
- (a) The company during the year under consideration has granted loans and advances to other parties,
- A. During the year company has advanced a sum of Rs 10 million to a company which is an associate, and the balance outstanding at the year-end is Rs 188.50 million towards the loans granted to companies which are associates.
- B. During the year company has granted a sum of Rs 146.60 million to parties other than subsidiaries, joint ventures and associates.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.



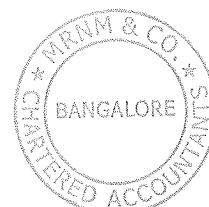


- (e) There are no loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has made loans and investments during the year. However, the same, (including opening balance) are within the limits prescribed in Sec 186 of the Act. Hence, the compliance under Sec 186 and corresponding rules do not apply. According to the explanations and information provided to us, the company has not given any guarantee to third parties.
- v. Based on the scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits from the public, which are within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014. Hence, reporting under this clause is not applicable.
- vi. We have been informed by the management, The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of products manufactured by the company. Accordingly, reporting under 3(vi) of the Order is not applicable.
- vii. a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities, including Goods and Service Tax, Provident Fund, Employees State Insurance, Income tax, Sales tax, Service Tax, Customs duty, Excise duty, Value added Tax, Central sales tax, Cess and any other statutory dues, as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.



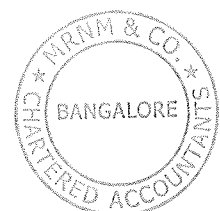


- b) According to the records of the company, there are no dues of Goods and Service tax, sales tax, income tax, value added tax, customs duty, excise duty, cess which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and on the information and explanations given by the management in our opinion that during the year, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under Income Tax act 1961.
- ix. Based on our audit procedures and on the information and explanations given by the management we are of the opinion that
- The company has not defaulted in repayment of loans or borrowings to a financial institution, banks.
 - The company has not been declared willful defaulter by any bank or financial institution or other lender.
 - The Company has applied term loans for the purpose for which the loans were obtained.
 - On an overall examination of the standalone financial statements of the company, funds raised on short term basis have, prima facie, not been used during the year long term purposes by the company.
 - On an overall examination of the standalone financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its Subsidiaries, associates or joint ventures.
 - The company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- x. According to the records of the company and based upon the audit procedures performed,
- The company has not raised monies by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year.





- b. During the year, the company has made preferential allotment of Optionally Convertible debenture during the year under consideration. The amount raised has been used for the purpose for which the funds are raised.
- xi. a. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees have been noticed or reported during the year.
- b. During the year and up to the date of this report, no report under section 143(12) of the Companies act 2013, has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.
- c. There were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and to the best of our information and according to the explanations provided by the management, the company is not a Nidhi. Therefore, the requirements of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- a. According to the records of the company and based upon the audit procedures performed, the company has internal audit in commensurate with the size and nature of its business.
- b. There are no adverse observations reported by the Internal Auditor.
- xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been





entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

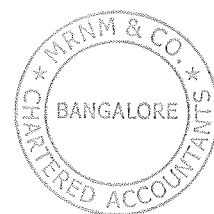
xvi. Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements:

- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. The Group does not have more than one CIC.

xvii. The company has not incurred cash losses in the current year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





xx. There are no unspent amounts in respect of ongoing project under sub section (5) of the Section 135 of the Companies Act and hence reporting under this clause is not applicable.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S

Hetal N Shah

Hetal N Shah

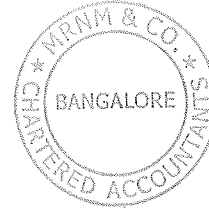
Partner

Membership No: 223229

UDIN: 23223229BGQPCT5529

Place: Bengaluru

Date: 12-05-2023





"ANNEXURE-B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date on the standalone financial statements)

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

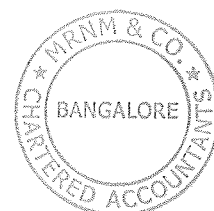
We have audited the internal financial controls over financial reporting of **Gem Paints Private Limited ("the Company")** as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements





and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

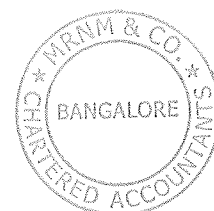
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.






Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 MRNM & Co
Chartered Accountants
ICAI FRN: 013072S


Hetal N Shah

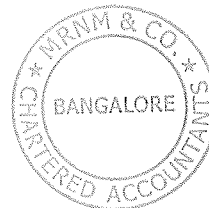
Partner

Membership No: 223229

UDIN: 23223229BGQPCT5529

Place: Bengaluru

Date: 12-05-2023



GEM PAINTS PRIVATE LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Millions)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	590.14	523.20
(b) Capital work-in-progress	3(D)	-	16.11
(c) Intangible assets	3(B)	5.01	-
(d) Right of use assets	3(C)	68.54	69.27
(e) Financial assets			
(i) Investments	4	746.47	858.22
(ii) Loans	5	218.50	220.50
(iii) Other financial assets	6	4.46	10.15
(f) Deferred tax assets (Net)	7	40.96	2.16
(g) Other non-current assets	8	4.74	-
Total non-current assets		1,678.83	1,699.61
Current assets			
(a) Inventories	9	352.14	507.99
(b) Financial assets			
(i) Investments	4	51.01	-
(ii) Trade receivables	10	479.13	579.04
(iii) Cash and cash equivalents	11	1,194.21	84.33
(iv) Other balances with banks	12	1,153.19	16.47
(v) Loans	5	153.35	0.75
(vi) Other financial assets	6	72.60	29.61
(c) Current tax assets (net)	13	-	12.85
(d) Other current assets	8	5.64	3.76
Total current assets		3,461.28	1,234.79
Total assets		5,140.11	2,934.40
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	149.95	149.95
(b) Other equity	15	2,446.21	2,156.54
Total equity		2,596.16	2,306.49
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	188.28	212.25
(b) Provisions	17	5.48	-
Total non-current liabilities		193.76	212.25
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,106.71	93.68
(ii) Trade payables	18		
a total outstanding dues of micro enterprises and small enterprises		53.93	96.26
b total outstanding dues of creditors other than micro enterprises and small enterprises		104.90	162.40
(iii) Other financial liabilities	19	38.25	30.19
(b) Other current liabilities	20	26.62	22.82
(c) Provisions	17	9.34	-
(d) Current tax liabilities (Net)	21	10.44	10.31
Total current liabilities		2,350.19	415.66
Total liabilities		2,543.95	627.91
Total equity and liabilities		5,140.11	2,934.40

See accompanying notes to the standalone financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715

(Anand Sarup Gandotra)
Managing Director
DIN: 00049342

(Ashwani Gandotra)
Whole Time Director
DIN: 00049386

(Hiranand Savlani)
Chief Financial Officer

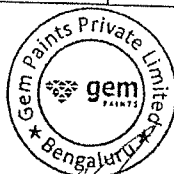
(Manan Bhavsar)
Company Secretary

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725
Chartered Accountants

(Retal N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



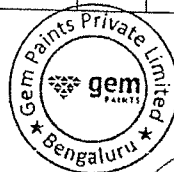
GEM PAINTS PRIVATE LIMITED

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

		(Rs. In Millions)	
Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	2,157.61	2,008.03
Other income	23	217.04	134.98
Total		2,374.65	2,143.02
Expenses			
Cost of materials consumed	24	1,394.97	1,350.68
Changes in inventories of finished goods	25	101.85	(30.22)
Employee benefits expense	26	195.34	191.61
Finance costs	27	26.14	13.18
Depreciation and amortization expense	28	31.12	37.15
Other expenses	29	229.65	190.32
Total		1,979.07	1,752.72
Profit before tax		395.58	390.30
Tax expense	30		
Current tax		107.81	94.74
Deferred tax		(38.80)	(4.41)
Total tax expense		69.01	90.33
Profit for the year		326.57	299.97
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements gain/(loss) on defined benefit plans		(0.92)	-
Income Tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		(0.92)	-
Total comprehensive income for the year		325.66	299.97
Earnings per equity share (Face value of Re. 1/- each)	31		
- Basic (in Rs.)		217.79	200.05
- Diluted (in Rs.)		217.79	200.05

See accompanying notes to the standalone financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715



For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725

(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

(Ashwani Gandotra)
Whole Time Director
DIN:00049386

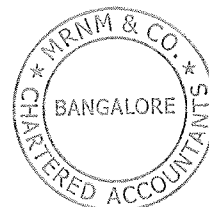
(Hiranand Savlani)
Chief Financial Officer

(Manan Bhavsar)
Company Secretary

(Hetul N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Million)

Sr No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	Cash flows from Operating Activities		
	Profit before tax	395.58	390.30
	Adjustments for :		
	Depreciation and amortisation expense	31.12	37.15
	Finance costs	26.14	13.18
	Interest income	(105.51)	(14.26)
	Unrealised foreign exchange fluctuations	0.05	(0.79)
	Gain on Sale and purchase of mutual funds (net)	98.53	(115.12)
	(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(0.90)	(1.28)
	Allowance for expected credit loss	24.37	16.23
	Bad-debts written off	1.55	13.97
	Credit balances written back	(0.97)	(2.81)
	Operating profit before Working Capital Changes	469.96	336.57
	Changes in working capital :		
	(Increase)/Decrease in Inventories	155.85	(88.55)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	69.36	(185.69)
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(116.97)	50.07
	Cash generated from operations	578.20	112.40
	Income taxes paid (net of refunds)	(94.83)	(94.74)
	Net cash generated from Operating Activities [A]	483.37	17.66
B	Cash flows from investing activities		
	Payment for purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(85.10)	(171.96)
	Proceeds from Sale of property, plant and equipment	4.59	1.81
	(Increase)/Decrease in other balances with banks	(1,136.72)	(9.31)
	Interest Received	68.55	14.26
	Gain on Sale and purchase of mutual funds (net)	55.49	-
	Investment made in Subsidiary Company	(0.10)	-
	Proceeds/(Investment) made in Debentures/Others	(93.19)	(38.38)
	Net Cash flow generated/(used) in Investing Activities [B]	(1,186.48)	(203.58)
C	Cash flow from Financing Activities		
	Finance Cost paid	(25.48)	(13.18)
	Proceeds from Long Term Borrowings	20.00	90.00
	Repayment of Long Term Borrowings	(39.27)	(14.27)
	Loans (given) / repayment received	(150.60)	55.20
	Proceeds / (Repayment) from Short Term Borrowings	2,008.33	33.85
	Net Cash flow used in Financing Activities [C]	1,812.98	151.60
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	1,109.88	(34.32)
	Cash and cash equivalents at the beginning of the year (Note 12)	84.33	118.65
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.00	0.00
	Cash and Cash Equivalents at the end of the year (Note 12)	1,194.21	84.33

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



GEM PAINTS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Changes in liabilities arising from financing activities

Particulars	(Rs. in Million)		
	Non-current borrowings*	Current borrowings	Total
Balance as at April 1, 2021	174.47	21.88	196.35
Cash flows	75.73	33.85	109.58
Balance as at March 31, 2022	250.20	55.73	305.93
Cash flows	(19.27)	2,008.33	1,989.06
Balance as at March 31, 2023	230.93	2,064.06	2,294.99

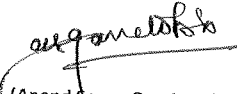
* Non-current borrowings including current maturities classified in Other Financial liabilities.

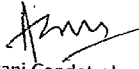
See accompanying notes to the ~~standalone~~ financial statements
As per report of even date.

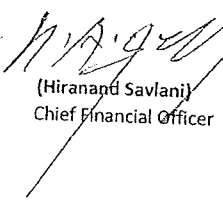
For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715

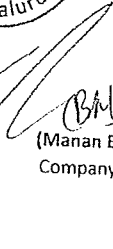


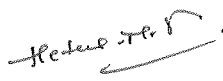
For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725


(Anand Sarup Gandotra)
Managing Director
DIN : 00049342


(Ashwani Gandotra)
Whole Time Director
DIN:00049386

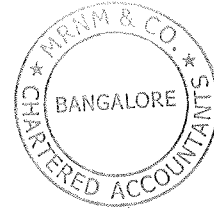

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary


(Hetal N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a Equity share capital (Note 14)

Particulars	(Rs. In Millions)
Balance as at April 1, 2021	149.95
Add: movement during the year	-
Balance as at March 31, 2022	149.95
Add: movement during the year	-
Balance as at March 31, 2023	149.95

b Other Equity (Note 15)

Particulars	Other equity			Total other equity
	Debenture Redemption Reserve	General reserve	Retained earnings	
Balance as at April 1, 2021	-	21.04	1,835.53	1,856.57
Profit for the year	-	-	299.97	299.97
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	21.04	2,135.50	2,156.54
Balance as at March 31, 2022	-	21.04	2,135.50	2,156.54
Less: Gratuity provisions as at April 1, 2022	-	-	32.72	32.72
Less: Leave encashment provisions as at April 1, 2022	-	-	3.27	3.27
Balance at the April 1, 2022 (restated)	-	21.04	2,099.51	2,120.55
Add: Profit For the Period	-	-	326.57	326.57
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	(0.92)	(0.92)
Add/(Less): Transferred to Debenture Redemption Reserve	194.00	-	(194.00)	-
Add/(Less): Transferred to General Reserve	1,905.51	-	(1,905.51)	-
Total comprehensive income for the year	2,099.51	21.04	325.66	2,446.21
Balance as at March 31, 2023	2,099.51	21.04	325.66	2,446.21

See accompanying notes to the standalone financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715



For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 013072S

(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

(Ashwani Gandotra)
Whole Time Director
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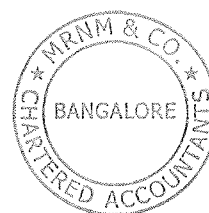
(Hiranand Savlani)
Chief Financial Officer

(Manan Bhavsar)
Company Secretary

(Hetal N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. COMPANY OVERVIEW

Gem Paints Private Limited was incorporated on 24th January 1980 under the Companies act 1956. The registered office of the Company is located at No 417/418, 11th cross, 4th Phase Peenya Industrial Area, Bengaluru Karnataka -560 058. The Company is primarily engaged in the business of manufacturing, selling and distribution of Paints, Varnishes, coatings and products related to home décor, industrial paints.

The financial statements were approved for issue by the resolution of board of directors on May 12, 2023.

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 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2021. Refer note 40 for the details of first time adoption exemptions availed by the Company. All accounting policies are consistently applied;

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to in Million, except where otherwise indicated.

Fair value:

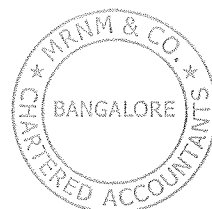
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics 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 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:



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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

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

c) Inventories

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

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

d) Cash and cash equivalents

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

e) Revenue from contract with customer

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

Sale of goods

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

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Trade receivables (Contract balances)

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

Interest Income

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

Insurance claims

Insurance claims are accounted to the extent that there is no uncertainty in receiving the claims.

f) Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

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

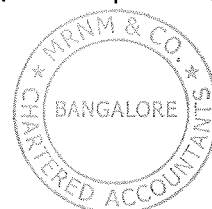
All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between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

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 period is provided on pro-rata basis with reference to the date of addition / disposal.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2021 (transition date) mentioned as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

g) 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. 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 amortised over their estimated useful life on a straight-line basis over a period of 5 years.

h) Foreign Currencies

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

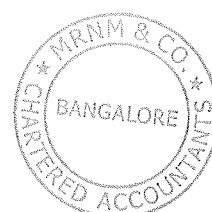
Exchange differences arising on monetary items are recognised in the statement of profit and loss in the period in which they arise.

i) 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.



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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

- 1) Service costs comprising past and 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 period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

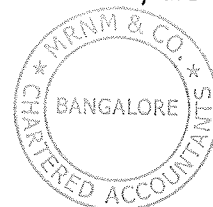
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided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

j) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with arrangement of borrowings.

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 on 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.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. 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 period:

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

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and



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settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the company.

l) Provisions, Contingent Liabilities and 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 is not probable.

m) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

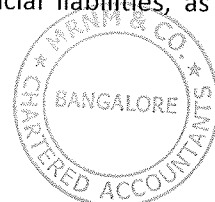
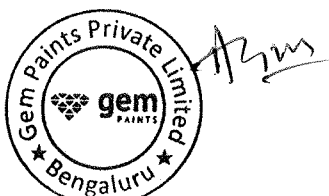
Investments in associates are accounted for using the equity method. Under the equity method the investment in associates is initially recognised at cost. The carrying amount of investment is adjusted to recognise changes.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the previous GAAP carrying amount in accordance with Ind AS-39 as its deemed cost on the date of transition to Ind AS i.e., April 1, 2021.

n) 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



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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.

o) 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 recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial 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



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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 periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

p) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company has identified twelve months as its operating cycle.

q) 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



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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the periods 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

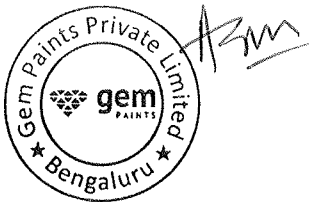
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial period.

i. Useful lives of property, plant and equipment and intangible assets

As described in above, the Company reviews the estimated useful lives and residual values of property, plant and equipment 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.

ii. Provisions and Contingent Liabilities

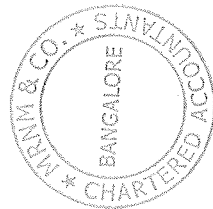
Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
3 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT TO USE OF ASSETS AND CAPITAL WORK IN PROGRESS (CWIP)

Sr. No.	Assets	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION AND AMORTISATION				(Rs. In millions)	
		As At April 1, 2022	Reclassification	Additions	Disposals/ Adjustments	As At March 31, 2023	As At April 1, 2022	For the year	Disposals/ Adjustments	As At March 31, 2023	NET CARRYING AMOUNT As At March 31, 2023	NET CARRYING AMOUNT As At March 31, 2023
(A)	PROPERTY, PLANT AND EQUIPMENT											
1	Land	67.40	-	-	3.11	64.29	-	-	-	-	64.29	67.40
2	Building	238.34	-	20.70	-	255.69	3.35	8.62	-	8.62	247.07	247.07
3	Plant & Machinery	66.07	-	172.27	-	238.34	-	3.35	-	3.35	234.99	234.99
4	Furniture and Fixtures	225.26	1.79	29.36	-	228.24	26.92	16.03	-	16.03	212.21	212.21
		54.10	-	171.16	-	225.26	-	26.92	-	26.92	198.34	198.34
5	Vehicles	7.54	0.14	35.70	0.07	41.41	1.71	2.14	-	2.14	39.27	39.27
		6.06	-	1.48	-	7.54	-	1.71	-	1.71	5.82	5.82
6	Computers and Office Equipment	13.68	-	4.50	0.28	15.24	2.66	1.96	-	1.96	13.28	13.28
		9.25	-	4.96	0.53	13.68	-	2.66	-	2.66	11.02	11.02
		8.13	(1.93)	10.70	0.24	15.59	2.50	1.57	-	1.57	14.02	14.02
		4.17	-	3.96	-	8.13	-	2.50	-	2.50	5.63	5.63
	Total	560.35	-	100.95	3.69	620.46	37.15	30.32	-	30.32	590.14	590.14
		207.05	-	353.83	0.53	560.35	-	37.15	-	37.15	523.20	523.20
(B)	INTANGIBLE ASSETS											
1	Computer Software	-	-	4.97	-	4.97	-	0.05	-	0.05	4.93	4.93
2	Trademark	-	-	-	-	-	-	-	-	-	-	-
		-	-	0.10	-	0.10	-	0.02	-	0.02	0.08	0.08
	Total	-	-	5.07	-	5.07	-	0.06	-	0.06	5.01	5.01
(C)	RIGHT OF USE ASSETS											
1	Leasehold Land	69.27	-	-	-	69.27	-	0.73	-	0.73	68.54	68.54
		69.27	-	-	-	69.27	-	-	-	-	69.27	69.27
	Total	69.27	-	-	-	69.27	-	0.73	-	0.73	68.54	68.54
		69.27	-	-	-	69.27	-	-	-	-	69.27	69.27



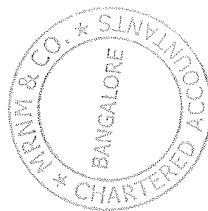
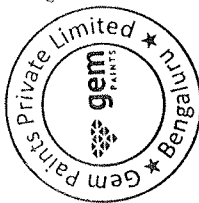
(D) CAPITAL WORK IN PROGRESS (CWIP) AGEING SCHEDULE:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Core Business:					
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Total					
As at March 31, 2022					
Projects in progress	16.11	-	-	-	16.11
Total	16.11	-	-	-	16.11

Note 1: Change in estimate:

The Company was charging the depreciation on Written Down Value Method ('WDV'), over the useful lives of the assets as estimated by the management as prescribed under the Schedule II. W.e.f. April 1, 2022, the Company has elected to charge the depreciation on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. Resulting impact due to this change in estimate will be spread over the remaining useful life of the respective assets.

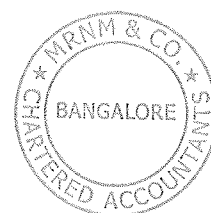
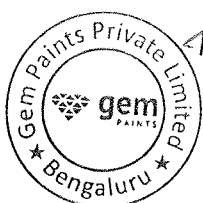
Note 2: Figure in bold are of current year and in italics are of the previous years.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4 INVESTMENTS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Non-Current Investments		
Investment in Equity Instruments of Subsidiaries at deemed cost		
Unquoted		
i) 66,61,399 (as at March 31, 2022 : 33,48,100) Shares of SGD 0.60 each fully paid up in wholly owned subsidiary, Enterprise Software & Technology Service Private Limited, Singapore.	222.57	222.57
ii) 10,000 (as at March 31, 2022 : Nil) Shares of Rs. 10/- each fully paid up in wholly owned subsidiary, Esha Paints Private Limited, India.	0.10	-
Investment in Subsidiaries	222.67	222.57
Investment in Equity Instruments of Associates and others at deemed cost		
Unquoted		
i) 10 (0.10% of holding) (as at March 31, 2022 : Nil) Equity Shares of Rs. 10/- each fully paid up in others, Dotkonnect Innovation Labs Private Limited, India.	0.00	-
ii) 5,384 (35% of holding) (as at March 31, 2022 : 5,384) Equity Shares of Rs.10/- each fully paid up in associates, Womenova Agro Food Private Limited, India.	15.00	15.00
iii) (33.33% of partnership) (as at March 31, 2022 : 33.33% partnership) in associates partnership, Samwin Consolidation LLP.	207.00	207.00
Total	222.00	222.00
Investment in Preference Shares of Associates at deemed cost		
Unquoted		
i) 48,456 (100 % of holding) (as at March 31, 2022 : 48,456) Preference Shares of Rs.10/- each fully paid up in associates, Womenova Agro Food Private Limited, India.	135.00	135.00
Total	135.00	135.00
Investments in Associates and Others	357.00	357.00
Investment in Preference Shares of Step down associates at deemed cost		
Unquoted		
i) 545 (100 % of holding) (as at March 31, 2022 : 545) Preference Shares of Rs.10/- each fully paid up in stepdown associates, Cyphysignals India Private Limited, India.	10.00	10.00
Investment in Preference Shares of Step down associates	10.00	10.00
Investment in Debentures at amortised cost		
i) 932,280 (100 % of holding) (as at March 31, 2022 : Nil) 0.0001% Compulsorily Convertible Debentures of Rs.100/- each fully paid up in Dotkonnect Innovation Labs Private Limited, India.	93.23	-
Investment in Debentures	93.23	-
Investment at fair value through Profit and loss		
Mutual Funds	63.57	268.60
Others - National Savings Certificates	-	0.04
Investment in Others	63.57	268.64
Total	746.47	858.22
Current Investments at fair value through Profit and loss		
Mutual Funds	51.01	-
Total	51.01	-



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5 LOANS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
(Unsecured, considered good)			
Loans to related parties (refer note 36 & 35)			
Loan to Womenova Agro Food Park Private Limited	188.50	178.50	
Loan to Indigene Food and Beverages Private Limited	10.00	10.00	
Loan to Nutrimense Foods & Supplements Private Limited	20.00	20.00	
Loan to Hitin Property Development LLP	-	12.00	
Total	218.50	220.50	
Current			
(Unsecured, considered good)			
Loans to other parties (refer note 35)			
Loan to LSR Infra	8.20	-	
Loan to Trivenimudrai Project Limited	80.00	-	
Loan to Sands Granites	12.50	-	
Loan to SGD Universal Private Limited	40.00	-	
Loans to related parties (refer note 36 & 35)			
Loan to Hitin Property Development LLP	12.00	-	
Loans and Advances to Employees	0.65	0.75	
Total	153.35	0.75	

Note 1. Refer note 38 for detailed disclosure on the fair values.

6 OTHER FINANCIAL ASSETS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
(Unsecured, considered good)			
Security deposits	4.46	10.15	
Total	4.46	10.15	
Current			
(Unsecured, considered good)			
Security deposits	6.04	-	
Interest accrued on loans and deposits from related parties (refer note 36)	49.38	29.61	
Interest accrued on loans and deposits from others	17.18	-	
Total	72.60	29.61	

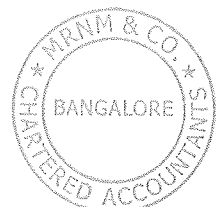
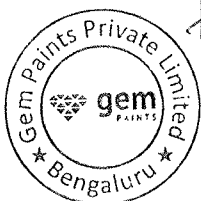
Note Refer note 38 for detailed disclosure on the fair values.

7 DEFERRED TAX ASSETS (NET)

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Deferred Tax Assets (Net)	40.96	2.16	
Total	40.96	2.16	

Deferred tax liabilities/(assets) in relation to :

		(Rs. In Millions)		
Sr	Particulars	As at April 1, 2022	Recognised in Profit and Loss statement	As at March 31, 2023
a	Difference between book balance and tax balance of fixed assets	7.87	3.72	11.59
b	Provision For Doubtful Trade Receivable	(4.09)	(6.13)	(10.22)
c	Disallowances under Section 43B of the Income Tax Act, 1961	(5.59)	(36.74)	(42.33)
d	Others Adjustment	(0.35)	0.35	-
	Deferred tax Liabilities / (Assets)	(2.16)	(38.80)	(40.96)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8 OTHER ASSETS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital Advances		-
Prepaid Expenses	2.40	-
	2.34	-
Current	Total	Total
Prepaid Expenses	4.74	-
Advances to Suppliers	3.98	3.76
	1.66	-
Total	5.64	3.76

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

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Raw Materials		
Finished Goods	170.29	213.36
Packing Materials	166.96	268.81
	14.89	25.82
Total	352.14	507.99

10 TRADE RECEIVABLES

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Unsecured, considered doubtful	479.13	579.04
Less : Allowance for doubtful debts (expected credit loss allowance)	40.60	16.23
	(40.60)	(16.23)
Total	479.13	579.04

Note Refer Note 38 for information about credit risk and market risk of Trade receivables.

Break-up of trade receivables

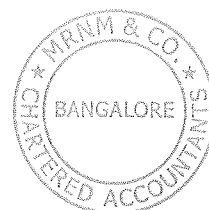
Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Trade receivables from other than related parties		
Receivables from related parties (refer note 36)	479.08	579.04
	0.05	-
Total	479.13	579.04

Notes :

- The Company offers credit period up to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's creditability and defines credit limits for each customer. Such limits are reviewed annually.
- In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

4 Movement in Expected Credit Loss Allowance

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
Add : Provision during the year	16.23	-
Balance at the end of the year	24.37	16.23
	40.60	16.23



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11 CASH AND CASH EQUIVALENTS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.79	4.69
Balances with Banks in current accounts	50.85	79.64
Investment in mutual funds	370.57	-
In deposit accounts (with original maturity less than 3 months)	772.00	-
Total	1,194.21	84.33

12 OTHER BALANCES WITH BANKS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
In deposit accounts (with maturity less than 12 months from the balance sheet date)	1,153.19	16.47
Total	1,153.19	16.47

13 TAX ASSETS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Current		
Taxes receivable	-	12.85
Total	-	12.85

14 EQUITY SHARE CAPITAL

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,500,000 (as at March 31, 2022 : 2,500,000) Equity Shares of Rs.100/- each	250.00	250.00
Issued, Subscribed & Fully Paid Share Capital		
1,499,475 (as at March 31, 2022 : 1,499,475) Equity Shares of Rs.100/- each	149.95	149.95
Total	149.95	149.95

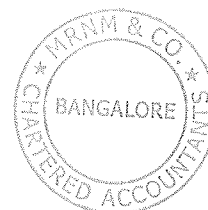
a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shares having value of Rs. 100 per Share. Each holder of equity shares is entitled to 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

Particulars	No. of Shares	Rs in Million
Balance as at April 1, 2021	14,99,475	149.95
Add / (Less): Movement	-	-
Balance as at March 31, 2022	14,99,475	149.95
Add / (Less): Movement	-	-
Balance as at March 31, 2023	14,99,475	149.95

Note : No shares were allotted as bonus shares in the last five financial years.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

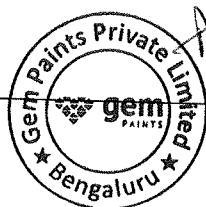
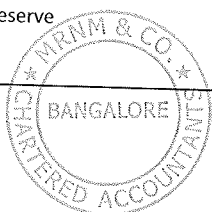
Name of Shareholders		As at March 31, 2023	As at March 31, 2022
Anand Gandotra	No. of Shares	7,30,461	7,30,462
	% of Shares Held	48.71%	48.71%
Pratibha Gandotra	No. of Shares	3,61,635	3,61,635
	% of Shares Held	24.12%	24.12%
Nalin Gandotra	No. of Shares	1,49,948	1,49,948
	% of Shares Held	10.00%	10.00%
Ashwani Gandotra	No. of Shares	1,07,430	1,07,430
	% of Shares Held	7.16%	7.16%
Nitin Gandotra	No. of Shares	75,000	75,000
	% of Shares Held	5.00%	5.00%
Payal Suvrat Thatte	No. of Shares	75,000	75,000
	% of Shares Held	5.00%	5.00%

d) Shares held by Promoters and promoter group companies

Name of Shareholders	No of Shares	% of Total Shares	% Change during the year
As at March 31, 2023			
Anand Gandotra	7,30,461	48.71%	(0.00)
Pratibha Gandotra	3,61,635	24.12%	-
Nalin Gandotra	1,49,948	10.00%	-
Ashwani Gandotra	1,07,430	7.16%	-
Nitin Gandotra	75,000	5.00%	-
Payal Suvrat Thatte	75,000	5.00%	-
Roshini Udaya Shetty	1	0.00%	100.00
As at March 31, 2022			
Anand Gandotra	7,30,462	48.71%	-
Pratibha Gandotra	3,61,635	24.12%	-
Nalin Gandotra	1,49,948	10.00%	-
Ashwani Gandotra	1,07,430	7.16%	-
Nitin Gandotra	75,000	5.00%	-
Payal Suvrat Thatte	75,000	5.00%	-

15 OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Add: Created during the year	194.00	-
Balance at the end of the year	194.00	-
General Reserve		
Balance at the beginning of the year	21.04	21.04
Add : Transferred from Surplus in Statement of Profit & Loss	1,905.51	-
Balance at the end of the year	1,926.55	21.04
Retained earnings		
Balance at the beginning of the period	2,135.50	1,835.53
Less: Gratuity provisions as at April 1, 2022	32.72	-
Less: Leave encashment provisions as at April 1, 2022	3.27	-
Balance at the beginning of the period (restated)	2,099.51	1,835.53
Add : Profit For the Period	326.57	299.97
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.92)	-
Less : Transferred to Debenture Redemption Reserve	194.00	-
Less : Transferred to General Reserve	1,905.51	-
Balance at the end of the period	325.66	2,135.50
Total	2,446.21	2,156.54



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes

a Nature and Purpose of reserve
Debenture Redemption Reserve

The Company was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies Act, 2013. DRR created be transferred to retained earnings on redemption of debentures.

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.

General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It can be used for distribution to equity shareholders only in compliance with the Companies Act, 2014, as amended.

16 BORROWINGS

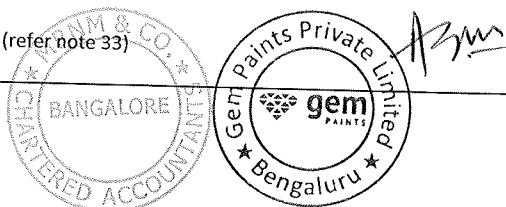
		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
Secured - at amortised cost			
Term Loans From Banks	230.93	250.20	
Less : Current maturity of long term loans	42.65	37.95	
Total	188.28	212.25	
Current			
Secured - at amortised cost			
Working capital loan	124.06	55.73	
Current maturities of long term loans	42.65	37.95	
Total	166.71	93.68	
Unsecured - at amortised cost			
0.0001% Optionally Convertible Debentures (OCDs)	1,940.00	-	
Total	1,940.00	-	
Total	2,106.71	93.68	

Note

- a) Refer Note 38 for information about liquidity risk.
- b) Term Loans are Secured by way of first charge, in respect of entire current assets of the Company both present and future and fixed assets of the Company, both present and future (Note 3,9,10) also secured by Personal Guarantee of Mr. Anand Gandotra and Mrs. Pratibha Gandotra. Rate of interest for Term Loan ranges from 7 to 8.85%.
- 1) HDFC Bank Limited Term Loans of Rs. 230.93 million (as at March 31, 2022 : Rs. 250.20 million) repayable within 85 months (i.e. by December 2027)
- c) Working capital loans consist of
- i) Overdraft facilities which is Secured by fixed deposits, Rate of interest for these Working Capital Loan ranges from 6 to 7%.
- ii) Cash credit facilities which is Secured by way of first charge, in respect of entire current assets of the Company both present and future and fixed assets of the Company, both present and future (Note 3,9,10) also secured by Personal Guarantee of Mr. Anand Gandotra and Mrs. Pratibha Gandotra. Rate of interest for Term Loan ranges from 7% to 9%
- HDFC Bank Limited Working capital overdraft facility of Rs. 124.06 million (as at March 31, 2022 : Nil)
- HDFC Bank Limited Working capital cashcredit facility of Rs. Nil (as at March 31, 2022 : Rs. 55.73 million)
- d) Astral Limited has subscribed to 19400 Optionally Convertible Debentures (OCDs) vide agreement dated April 29, 2022, equivalent to face value of Rs. 0.1 million being 51% controlling stake w.e.f. April 1, 2022 of operating paint business of Gem Paints Private Limited. The operating paint business of Gem Paints is proposed to be demerged to a wholly owned subsidiary of Gem Paints viz. Esha Paints Private Limited. Upon the completion of demerger, Astral Limited will acquire 51% equity shares of Esha Paints Private Limited against the redemption of the said OCDs. The name of Esha Paints Private Limited is proposed to be changed to Gem Paints Private Limited under the demerger scheme.

17 PROVISIONS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
Provision for Employee Benefits (refer note 33)	5.48	-	
Total	5.48	-	
Current			
Provision for Employee Benefits (refer note 33)	9.34	-	
Total	9.34	-	



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

18 TRADE PAYABLES

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises (Note a)	53.93	96.26
Total	53.93	96.26
total outstanding dues of creditors other than micro enterprises and small enterprises	104.90	162.40
Total	104.90	162.40

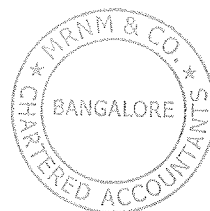
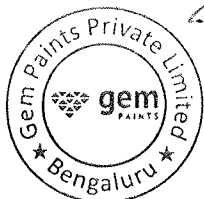
Note

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

b Refer Note 38 for information about credit risk, market risk and liquidity risk of Trade payables.

c DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2021-22, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	53.93	96.26
Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

19 OTHER FINANCIAL LIABILITIES

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued but not due on borrowings	1.79	1.13
Payable for capital goods	11.30	4.08
Others	25.16	24.98
Total	38.25	30.19

20 OTHER LIABILITIES

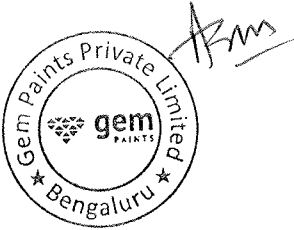
(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory dues	23.84	22.82
Advance received from customers	2.78	-
Total	26.62	22.82

21 CURRENT TAX LIABILITIES (NET)

(Rs. In Millions)

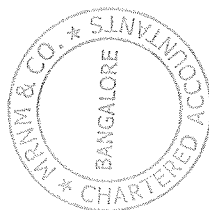
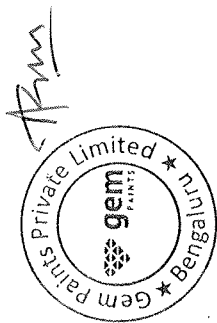
Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance payment of tax)	10.44	10.31
Total	10.44	10.31



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Note 5: Trade receivables Ageing Schedule

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Undisputed Trade Receivables – considered good	57.47	398.43	23.23	-	-	-	479.13
Undisputed Trade receivable – credit impaired	-	-	-	13.35	23.06	4.19	40.60
Total	57.47	398.43	23.23	13.35	23.06	4.19	519.73
As at March 31, 2022							
Undisputed Trade Receivables – considered good	122.92	433.55	5.31	10.47	4.90	1.90	579.04
Undisputed Trade receivable – credit impaired	-	-	-	16.23	-	-	16.23
Total	122.92	433.55	5.31	26.70	4.90	1.90	595.28

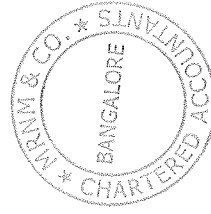
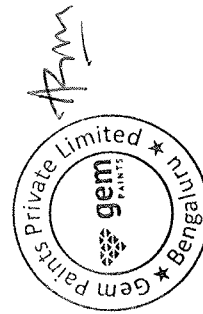
(Rs. In Million)



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

d. Trade Payables Ageing Schedule

Particulars	Unbilled Dues	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 years	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Total outstanding dues of micro enterprises and small enterprises	-	49.04	4.89	-	-	-	53.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	19.98	68.90	15.84	0.03	0.08	0.08	104.90
Total	19.98	117.95	20.72	0.03	0.08	0.08	158.83
As at March 31, 2022							
Total outstanding dues of micro enterprises and small enterprises	-	11.96	84.30	-	-	-	96.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	28.68	17.36	112.62	2.80	0.22	0.71	162.40
Total	28.68	29.32	196.92	2.80	0.22	0.71	258.65



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

22 REVENUE FROM OPERATIONS

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Contract with customers	2,157.61	2,008.03
Total	2,157.61	2,008.03

Note: The Company is primarily engaged in the business of manufacturing, selling and distribution of Paints, Varnishes, coatings and products related to home décor, industrial paints and hence no disaggregation of revenue is provided. Other information relating to contract balance i.e. Trade Receivables and Advance from customers, are stated in note 10 and 20 respectively.

23 OTHER INCOME

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income comprises		
From Banks	80.82	0.61
From Related party (refer note 36)	23.80	13.58
From Others	0.89	0.07
Profit on Sale of Current Investments (Net)	98.53	111.35
Profit on Sale of Property, Plant and Equipment (Net)	-	1.28
Miscellaneous Income	13.01	8.09
Total	217.04	134.98

24 COST OF MATERIALS CONSUMED

Consumption of Raw Material:

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the period	213.36	159.53
Add : Purchases	1,160.27	1,207.83
Less : Inventories at the end of the period	170.29	213.36
Total [A]	1,203.34	1,154.00

Consumption of Packing Material:

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the period	25.82	21.31
Add : Purchases	180.71	201.18
Less : Inventories at the end of the period	14.89	25.82
Total [B]	191.63	196.68
Total [A] + [B]	1,394.97	1,350.68

25 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the period	166.96	268.81
Finished Goods		
Inventories at the beginning of the period	268.81	238.59
Finished Goods		
Net (Increase) / Decrease	101.85	(30.22)

26 EMPLOYEE BENEFITS EXPENSE

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	175.34	177.25
Contribution to Provident and Other Funds (refer note 33)	9.59	6.44
Staff Welfare Expenses	10.40	7.92
Total	195.34	191.61



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

27 FINANCE COSTS

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
Working capital and term loans	25.46	11.83
Others	0.68	-
Other borrowing costs	0.00	1.35
Total	26.14	13.18

28 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Note 3 (A))	30.32	37.15
Amortisation on Intangible assets (Note 3 (B))	0.06	-
Amortisation on Right of use assets (Note 3 (C))	0.73	-
Total	31.12	37.15

29 OTHER EXPENSES

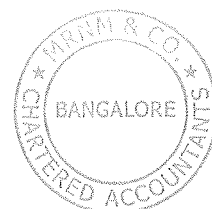
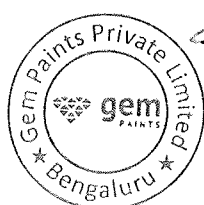
Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores, Spares and Packing Materials		2.75
Power and Fuel	5.21	11.83
Rent (refer note 36 & 37)	14.76	15.87
Repairs expenses	14.10	9.74
Insurance expenses	12.43	4.45
Rates and Taxes	3.35	4.34
Communication expenses	4.85	1.32
Travelling expenses	1.82	11.44
Factory and Other expenses	19.74	4.40
Printing and stationary expenses	1.65	2.86
Freight and Forwarding	1.81	19.70
Sales Promotions	29.25	45.23
Donations and Contributions	14.51	0.01
Expenditure on Corporate Social Responsibility (refer note 34)	0.01	5.00
Security Service Charges	5.60	8.73
Legal and Professional	9.47	5.35
Payments to Auditors **	40.86	1.75
Provision for Doubtful Trade Receivables	1.60	16.23
Net Loss on Foreign Currency transactions and translations	24.37	-
Loss on Sale of Property, plant and equipment (Net)	0.70	-
Other Expenses	6.66	19.31
Total	229.65	190.32

**PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
For statutory audit and certification charges	1.60	1.75

30 TAX EXPENSES

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	107.81	94.74
Deferred tax	107.81	94.74
In respect of the current year	(38.80)	(4.41)
Total	(38.80)	(4.41)



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

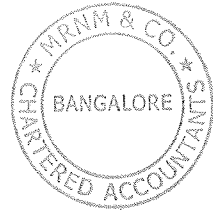
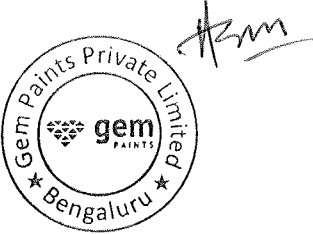
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :

Particulars	(Rs. In Millions)	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax		
Income tax expense @25.168%	395.58	390.30
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :	99.56	98.23
Exempt income not taxable		
Effect of allowances and others	(12.07)	0.00
	(14.00)	(11.97)
Adjustments in respect of current income tax of previous year	73.49	86.26
Tax expense as per Statement of Profit and Loss	(4.48)	4.07
	69.01	90.33

The Company's weighted average tax rates for the year ended March 31, 2023 and March 31, 2022 were 17.44% and 23.14% respectively.

31 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to owners of the Parent Company (Rs. In Million)	326.57	299.97
Weighted average number of equity shares for Basic EPS	14,99,475	14,99,475
Add : Effects of dilutive shares	-	-
Weighted average number of equity shares for Diluted EPS	14,99,475	14,99,475
Nominal Value per share (Rs.)	100	100
Basic Earnings Per Share (In Rs.)	217.79	200.05
Diluted Earnings Per Share (In Rs.)	217.79	200.05



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

32. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Million)			
Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Disputed Income Tax/Central Excise/Sales Tax and PF demands*	-	-
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	21.82	-
2	Letters of Credits for Purchases	11.81	-

* 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:

Post-employment Benefit

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognised under "Contribution to Provident and Other funds" in Note 26 Rs. 5.84 Million (Previous Year: Rs. 5.64 Million).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to insurance service providers who invests the funds as per 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.

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

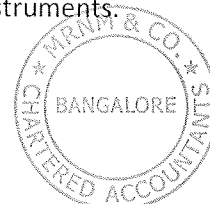
Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

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



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GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Obligations at the beginning of the year	24.51	23.35
Current service cost	1.89	1.98
Interest cost	1.68	1.48
Past Service cost	8.21	-
Actuarial (gain) / loss – due to change in financial assumptions	(0.90)	(0.88)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (gain) / loss- due to experience adjustments	1.81	(1.08)
Benefits paid	(0.97)	(0.34)
Present value of benefit obligation at the end of the year	36.24	24.51

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

(Rs. In Million)

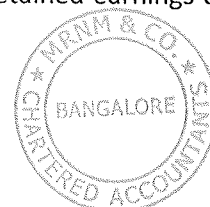
Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year, at fair value	-	-
Interest Income	-	-
Return on plant assets excluding interest income	-	-
Contributions from the employer	24.50	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	24.50	-

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

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year	36.24	24.51
Fair value of plan assets at the end of the year	24.50	-
Net liability arising from defined benefit obligation	11.74	24.51*

***Note:** In financial year 2022-23, Rs. 24.51 million have been accounted in opening retained earnings of the Company as at April 1, 2022 being expenses pertaining to previous period.



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- d) Amount recognised in the Statement of Profit and Loss / Retained earnings in respect of the defined benefits plans are as follows:

Particulars	(Rs. In Million)	
	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	1.89	1.98
Net Interest expense	1.68	1.48
Components of defined benefit costs recognised in the Statement of Profit and Loss	3.57	-
Past Service Cost*	8.21	-
Components of defined benefit costs recognised in the Opening retained earnings	8.21	3.46
Sub-total	11.78	3.46
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	0.92	(1.95)
Return on plant assets, excluding interest income	-	-
Components of defined benefit costs recognised in Other Comprehensive Income	0.92	-
Components of defined benefit costs recognised in the Opening retained earnings	-	(1.95)
Total	12.70	1.51

*Note: In financial year 2022-23, Rs. 8.21 million Past service cost above have been accounted in opening retained earnings of the company being expenses pertaining to previous period.

- e) Investment details of plan assets:

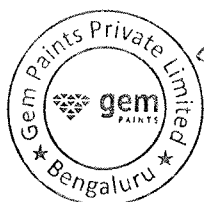
To fund the obligations under the gratuity plan, Contributions are made to Insurance service providers, who invests the funds as per (Insurance Regulatory and Development Authority) IRDA guidelines.

- f) The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

Particulars	(Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
1st Following Year	10.49	3.03
2nd Following Year	2.83	2.43
3rd Following Year	4.45	2.42
4th Following Year	2.10	3.32
5th Following Year	2.72	1.57
Sum of Years 6 To 10	14.08	11.28
Thereafter	20.76	17.43

- 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 has 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.



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Delta effect of +1% change in the rate of Discounting	(1.61)	(1.40)
Delta effect of -1% change in the rate of Discounting	1.81	1.59
Delta effect of +1% change in the rate of salary Increase	1.68	1.57
Delta effect of -1% change in the rate of salary increase	(1.53)	(1.42)
Delta effect of +1% change in the rate of employee turnover	0.09	(0.03)
Delta effect of -1% change in the rate of employee turnover	(0.11)	0.03

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. 6.26 Million (as at March 31, 2022: NA) to the defined benefit plans during the next financial year.

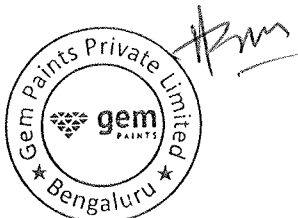
h) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.41%	6.90%
Expected return on plan assets	7.41%	-
Annual Increase in Salary Costs	8.00%	7.00%
Rate of Employee turnover	7.00%	8.00%
Mortality Tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Future Salary increases are based on long term average salary rise expected considering 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.

Leave encasement

In financial year 2022-23, Rs. 3.27 million have been accounted in opening retained earnings of the Company as at April 1, 2022 being expenses pertaining to previous period.



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

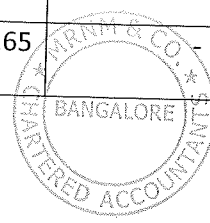
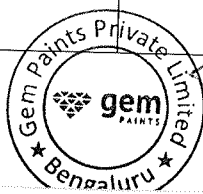
34. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY:

Particulars	(Rs. In Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
a Gross amount required to be spent during the year	5.60	5.00
b Amount approved by the Board to be spent during the year	5.60	5.00
c Amount spent during the year		
i Construction/acquisition of any asset	2.20	-
ii On purposes other than (i) above	3.40	17.85
d Details related to spent		
i Directly spent by the Company	2.83	-
ii Contribution to Public Trust	-	-
ii Contribution to Charitable Trust	2.77	17.85
i		
iv Contribution to a trust / section 8 company controlled by the company	-	-
v Unspent amount in relation to:		
Ongoing project*	0.88	-
Other than ongoing project	-	-

*Unspent amount in relation to on going project consist of advance already paid to vendors against which invoices are awaited.

35. DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(Rs. In Million)					
Name of the party	Relationship	Maximum amount outstanding during the year		Amount outstanding	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loans (Unsecured)					
Womenova Agro Food Park (P) Ltd	Associates	228.30	307.20	228.30	204.20
Indigene Foods And Beverages Pvt Ltd	Private Company in which Director or relative is Director or member	11.95	11.20	11.95	11.20
Nutrimmense Foods & Supplements Pvt Ltd	Private Company in which Director or relative is Director or member	23.90	22.40	23.90	22.40
Hitin Properties Development LLP	Firm /LLP in which Director or relative is partner.	12.90	12.00	12.90	12.00
LSR Infra	Unrelated Party	8.38	-	8.38	-
Sands Granites	Unrelated Party	13.25	-	13.25	-
Trivenimudrai Project Limited	Unrelated Party	82.27	-	82.27	-
SGD Universal Private Limited	Unrelated Party	40.65	-	40.65	-



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

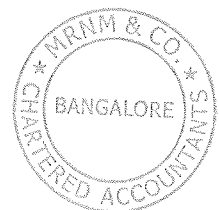
Notes :

1. There are no advances which are in the nature of loans.
2. The outstanding amount for the loan is including interest receivable.

36. RELATED PARTY DISCLOSURES:

1.Name of the related parties and their relationships

Description of Relationship	Name of Related Parties
a. Holding Company	Astral Limited
b. Subsidiary Company	Esha Paints Private Limited Enterprise Software Technology Services Private Limited
c. Enterprises over which Key Managerial Personnel are able to exercise significant influence	Samwin Consolidations LLP Womenova Agro Food Park Private Limited Cyphysignals India Private Limited ASG Trust L-91 Second living ventures Nutrimense foods and supplements Private Limited Ayisra Tech Solutions LLP Hitin Property Development Indigene Foods and Beverages Private Limited Kairamya Journeys LLP
e. Key Managerial Personnel	Anand Sarup Gandotra (Managing Director) Ashwani Gandotra (Wholetime director) Sandeep Praveenchandra Engineer (Director w.e.f. 21.06.2022) Saumya Sandeep Engineer (Director w.e.f. 21.06.2022) Kairav Sandeep Engineer (Director w.e.f. 21.06.2022) Girish Bhanubhai Joshi (Director w.e.f. 21.06.2022) Viral Maheshbhai Jhaveri (Director w.e.f. 21.06.2022) Chikmagalur Kalashetty Gopal (Director w.e.f. 21.06.2022) Hiranand Asandas Savlani (CFO w.e.f. 21.06.2022) Krunal Devendrakumar Bhatt (Company secretary w.e.f. 21.06.2022 to 30.09.2022) Manan Bhavsar (Company Secretary w.e.f. 01.10.2022)
f. Relatives of Key Managerial Personnel	Nitin Gandotra (Director up to 20.06.2022) Pratibha Gandotra (Director up to 20.06.2022) Nalin Gandotra (Director up to 20.06.2022) Payal Suvrat Thatte (Director up to 20.06.2022)

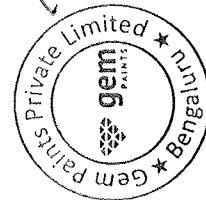


GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2023 (Rs. In Million)

Particulars	Holding Company		Subsidiaries		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Transactions during the year												
Amount claimed for reimbursement of expenses/capital goods/capital services	15.90	-	-	-	-	-	-	-	-	-	15.90	-
Purchase of Intangible asset	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/Service	5.81	-	-	-	10.90	10.06	0.10	-	-	-	0.10	-
Remuneration	-	-	-	-	-	-	29.26	58.64	18.54	-	47.80	10.06
Loan given	-	-	-	-	10.00	-	-	-	-	-	10.00	58.64
Sale of Goods	0.24	-	-	-	-	-	-	-	-	-	-	-
Repayment of rent deposit	-	-	-	-	0.05	-	-	-	-	-	0.24	-
Interest income	-	-	-	-	17.25	29.30	-	-	-	-	0.05	-
Rent expenses	-	-	-	-	-	-	-	-	-	-	17.25	29.30
Equity Investment in subsidiary Company	-	-	0.10	-	-	-	-	1.56	-	-	-	1.56
Balance at the end of the year												
Loan recoverable	-	-	-	-	230.50	220.50	-	-	-	-	230.50	220.50
Interest recoverable	-	-	-	-	46.55	29.30	-	-	-	-	46.55	29.30
Receivables	-	-	-	-	0.05	-	-	-	-	-	0.05	-
Payables	-	-	-	-	0.01	-	1.21	-	1.39	-	2.60	-

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GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes :

i. Compensation of key management personnel:

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

(Rs. In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short term Benefits	29.26	58.64

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

ii. Details of Loans and advances repayable on demand

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount (Rs. In Million)	% to total loans and Advances	Amount (Rs. In Million)	% to total loans and Advances
Related parties	Nil		Nil	

- iii. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- iv. The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owned by related parties.
- v. Transactions/balances during and end of the year/previous year are stated without considering impact of fair valuation carried out as per Ind AS.

37. LEASE:

Company as a lessee:

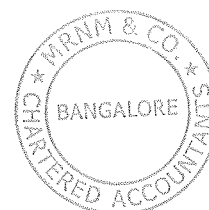
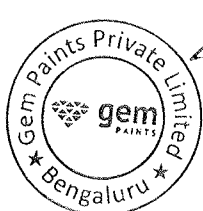
The Company's lease asset classes primarily consist of leases for Tangible assets. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time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

The carrying amounts of right-of-use assets along with their movement during the period is given in Note No. 3.

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

Company as a lessor

The company has neither entered into any non-cancellable nor cancellable operating leases as a lessor.



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

38 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 16 off set by cash and bank balances) and total equity of the Company.

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

Gearing ratio

Particulars	(Rs. in Million)	
	As at	
	March 31, 2023	March 31, 2022
Debt (note i)	2,294.99	305.93
Less : Cash and cash equivalents	1,194.21	84.33
Net debt	1,100.78	221.60
Equity share capital	149.95	149.95
Other equity	2,446.21	2,156.54
Less : Revaluation reserve	-	-
Total equity excluding revaluation reserve	2,596.16	2,306.49
Net debt to equity ratio	0.42	0.10

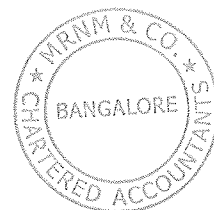
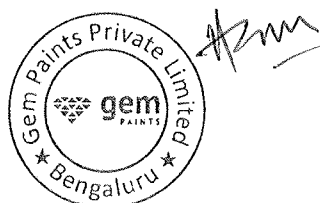
i Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings, as described in notes 16.

2 Category-wise classification of financial instruments

Particulars	(Rs. in Million)	
	As at	
	March 31, 2023	March 31, 2022
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents and other bank balances (Note 11, 12)	2,347.41	100.80
b Financial assets (Note 5,6 & 10)	928.04	840.04
c Investment in others (Note 4)	93.23	-
Measured at fair value through Profit and loss		
a Investment in others (Note 4)	114.59	268.64
Total	3,483.27	1,209.49
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 16)	2,294.99	305.93
b Financial liabilities (Note 18,19)	197.08	288.85
Total	2,492.07	594.78

The above excludes investments in subsidiaries and associates.

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



(Rs. in Million)				
Financial assets/Financial liabilities	Fair value	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2023				
Measured at amortised cost				
a Investment in others (Note 4)	93.23	93.23	-	-
Financial assets measured at fair value through Profit and loss				
a Investment in mutual fund (Note 4)	114.59	-	-	114.59
As at March 31, 2022				
Financial assets measured at fair value through Profit and loss				
a Investment in mutual fund and others (Note 4)	268.64	268.60	-	0.04

There have been no transfers amount in Level 1, Level 2 and Level 3 during the years ended March 31, 2023 and March 31, 2022.

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:

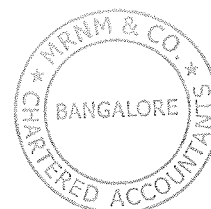
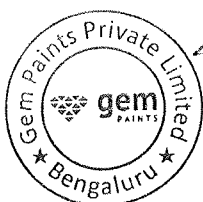
- currency risk;
- interest rate risk

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 Million)	
	As at	
	March 31, 2023	March 31, 2022
Liabilities (Foreign currency)		
In US Dollars (USD)	0.08	0.10
Assets (Foreign currency)		
In US Dollars (USD)	0.29	-



(Rs. in Million)		
Particulars	As at	
	March 31, 2023	March 31, 2022
Liabilities (INR)		
In US Dollars (USD)	6.86	7.21
Assets (INR)		
In US Dollars (USD)	23.44	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD.

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.

Impact on profit or loss and total equity

(Rs. in Million)		
Particulars	As at March 31, 2023	As at March 31, 2022
Increase in exchange rate by 5%	0.83	(0.36)
Decrease in exchange rate by 5%	(0.83)	0.36

ii Interest rate risk

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

Interest rate sensitivity

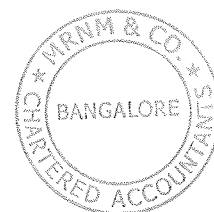
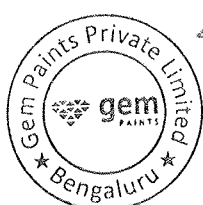
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Million)		
Particulars	Increase/ decrease in basis points	Effect on profit before tax
As at March 31, 2023	100 bps	22.95
As at March 31, 2022	100 bps	3.06

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 10 - Trade receivable).



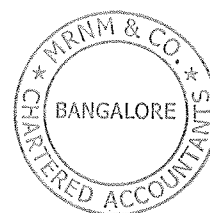
C MANAGEMENT OF LIQUIDITY RISK

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

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

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

(Rs. in Million)				
Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2023				
Non-derivative financial liabilities				
Borrowings (Note 16)	2,294.99	2,106.71	188.28	2,294.99
Financial Liabilities (Note 18 & 19)	197.30	197.30	-	197.30
Total	2,492.29	2,304.01	188.28	2,492.29
As at March 31, 2022				
Non-derivative financial liabilities				
Borrowings (Note 16)	305.93	93.68	212.25	305.93
Financial Liabilities (Note 18 & 19)	289.04	289.04	-	289.04
Total	594.97	382.72	212.25	594.97



GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

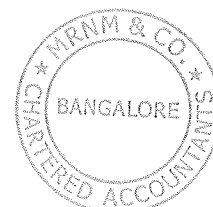
39 SEGMENT REPORTING

The Company has presented segment information in the Consolidated Financial Statement of ultimate parent Company. Accordingly, in terms of paragraph 4 of Ind AS 108 – Operating Segments, no disclosure related to segments are presented in this standalone financial statement. However for detailed understanding purpose we have presented herewith statement of profit and loss for the year ended March 31, 2023 and balance sheet of two divisions of the Company as at March 31, 2023 as under:

Divisional Balance sheet as at March 31, 2023

(Rs. In Millions)

Particulars	Non-core Business as at March 31, 2023	Core Business as at March 31, 2023	Total
ASSETS			
Non-current assets			
(a) Property, plant and equipment	85.93	504.21	590.14
(b) Intangible assets	-	5.01	5.01
(c) Right of use assets	-	68.54	68.54
(d) Financial assets			
(i) Investments	746.37	0.10	746.47
(ii) Loans	218.50	-	218.50
(iii) Other financial assets	0.00	4.45	4.46
(e) Deferred tax assets (Net)	-	40.96	40.96
(f) Non-current tax assets	-	-	-
(g) Other non-current assets	-	4.74	4.74
Total non-current assets	1,050.81	628.02	1,678.83
Current assets			
(a) Inventories	-	352.14	352.14
(b) Financial assets			
(i) Investments	51.01	-	51.01
(ii) Trade receivables	-	479.13	479.13
(iii) Cash and cash equivalents	-	1,194.21	1,194.21
(iv) Other balances with banks	130.00	1,023.19	1,153.19
(v) Loans	152.70	0.65	153.35
(vi) Other financial assets	49.80	22.81	72.60
(c) Other current assets	-	5.64	5.64
Total current assets	383.51	3,077.77	3,461.28
Total assets	1,434.32	3,705.79	5,140.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	-	149.95	149.95
(b) Other equity	1,394.45	1,051.75	2,446.21
Total equity	1,394.45	1,201.70	2,596.16
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	-	188.28	188.28
(b) Provisions	3.33	2.15	5.48
Total non-current liabilities	3.33	190.43	193.76



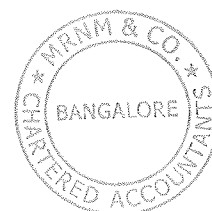
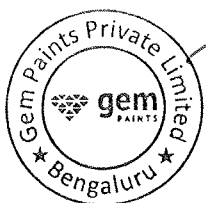
GEM PAINTS PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Non-core Business as at March 31, 2023	Core Business as at March 31, 2023	Total
Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables	124.06	1,982.65	2,106.71
a total outstanding dues of micro enterprises and small enterprises	-	53.93	53.93
b total outstanding dues of creditors other than micro enterprises and small enterprises	0.04	104.86	104.90
(iii) Other financial liabilities			
(b) Other current liabilities	(78.48)	116.73	38.25
(c) Provisions	(0.06)	26.67	26.62
(d) Current tax liabilities (Net)	-	9.34	9.34
	(9.03)	19.47	10.44
Total current liabilities	36.53	2,313.66	2,350.19
Total liabilities	39.87	2,504.08	2,543.95
Total equity and liabilities	1,434.32	3,705.79	5,140.11

Divisional Statement of Profit and loss for the year ended March 31, 2023

		(Rs. In Millions)	
Particulars	Non-core Business for period ended March 31, 2023	Core Business for period ended March 31, 2023	Period ended March 31, 2023
Income			
Revenue from operations	-	2,157.61	2,157.61
Other income	207.96	9.09	217.04
Expenses	207.96	2,166.70	2,374.65
Cost of materials consumed	-	1,394.97	1,394.97
Changes in inventories of finished goods	-	101.85	101.85
Employee benefits expense	15.13	180.21	195.34
Finance costs	5.42	20.73	26.14
Depreciation and amortization expense	1.39	29.73	31.12
Other expenses	35.54	194.11	229.65
Profit before tax	57.47	1,921.60	1,979.07
Tax expense	150.48	245.10	395.58
Current tax	19.14	88.67	107.81
Deferred tax	-	(38.80)	(38.80)
Profit for the year	19.14	49.87	69.01
Other comprehensive income	131.34	195.23	326.57
Items that will not be reclassified to profit or loss			
- Remeasurements gain/(loss) on defined benefit plans	-	(0.92)	(0.92)
Income Tax relating to items that will not be reclassified to profit or loss	-	-	-
Total other comprehensive income	-	(0.92)	(0.92)
Total comprehensive income for the year	131.34	194.31	325.66



GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

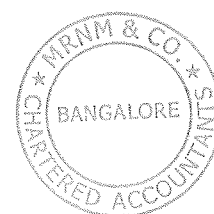
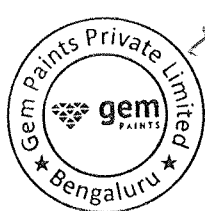
40 FIRST-TIME IND-AS ADOPTION RECONCILIATION:
Transition to Ind As – Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- 1 There is no material change in the Balance sheet as at April 1, 2021 (Transition Date) and March 31, 2022 hence reconciliation is not presented separately.
- 2 Reconciliation of Consolidated Comprehensive Income for the year ended March 31, 2022

(Rs. In Million)				
Particulars	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Income				
Revenue from operations	6(a)	2,159.86	(151.82)	2,008.03
Other income	6(b)	138.76	(3.78)	134.98
Total		2,298.61	(155.60)	2,143.02
Expenses				
Cost of materials consumed	6(c)	1,409.32	(58.64)	1,350.68
Changes in inventories of finished goods		-30.22	-	-30.22
Employee benefits expense	6(c)	168.34	23.27	191.61
Finance costs		13.18	-	13.18
Depreciation and amortization expense		37.15	-	37.15
Other expenses	6(a),(b),(c)	310.55	(120.23)	190.32
Total		1,908.31	(155.60)	1,752.72
Profit before tax		390.30	-	390.30
Tax expense				
Current tax		94.74	-	94.74
Deferred tax		-4.41	-	-4.41
Total tax expense		90.33	-	90.33
Profit for the year		299.97	-	299.97
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Income Tax relating to items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the year		299.97	-	299.97

- 3 There is no material change in Equity as at April 1, 2021 and as at March 31, 2022 hence reconciliation is not presented separately.
- 4 There is no material change in Consolidated Profit for the year ended March 31, 2022 hence reconciliation is not presented separately.
- 5 Adjustments to Consolidated Statement of Cash flow :
The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2022 as compared with the previous GAAP.



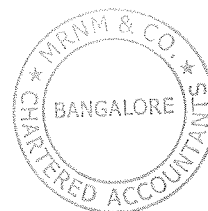
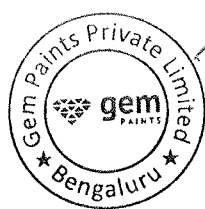
6 Notes on reconciliation

- a Under previous GAAP, various schemes, discounts and incentives given to customers were included in 'Other expenses' expenses. Under Ind AS, the Company will recognise revenue at the fair value of consideration received or receivable. Hence, expenses of Rs. 98.76 million is considered as reductions in selling price and reduced from the net revenue from operations.

Under previous GAAP, freight, forwarding, coolie and delivery expenses etc, were included in 'Other expenses' expenses. Under Ind AS, the Company will recognise revenue at the fair value of consideration received or receivable. Hence, expenses of Rs. 53.06 million is considered as reductions in selling price and reduced from the net revenue from operations.

- b Under previous GAAP, management fees and ancillary charges incurred for making the investment were included in 'Other expenses' expenses. Under Ind AS, the Company has received the same from Income earned from those investment under 'Other Income'. Hence, expenses of Rs. 3.78 million is considered as reductions in other income and reduced from 'Other Income'.

- c Under previous GAAP, direct expenses such as wages, contract labour expenses, power expenses, factory expenses incl. processing charges, consumables, freight inward and fuel and gas were included in 'Cost of material consumed'. Under Ind AS and as per Schedule III guidance note on Companies Act - same has been regrouped to respective expenses i.e. Rs. 23.27 million regrouped to 'Employee Benefit Expenses' and Rs. 35.37 million regrouped to 'Other Expenses'.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

41 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Note
Current Ratio	Current Assets	Current Liabilities	1.47	2.97	-50%	a
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.88	0.13	580%	b
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	5.83	12.81	-55%	c
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.13	0.14	-5%	
Inventory turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Inventory	3.48	2.85	22%	
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.08	3.60	13%	
Trade payables turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Trade Payables	6.45	5.01	29%	d
Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	1.94	2.45	-21%	e
Net profit ratio	Profit for the year	Revenue from operations	0.15	0.15	1%	
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.08	0.14	-41%	f

Note a, b & f: During the year Holding Company has infused fund wide Optionally Convertible Debenture (refer note: 16(d)), - accordingly due to increase in cash and bank balance & current investments current ratio is improved.

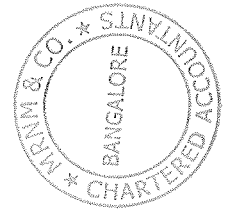
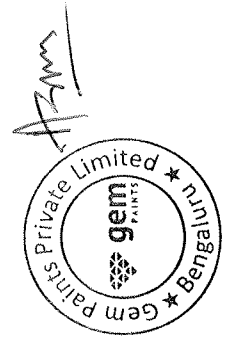
- Simultaneously due to increase in the debt (i.e. Optionally Convertible Debenture) Debt Equity Ratio is increased.

- Return on Capital employed is decreased as debt is parked in financials assets and not used in operating cycle.

Note c: Increased due to debt principal repayment is started from mid of previous year.

Note d: The increase in ratio is on account of early payment of dues to avail better rates / early payment discount

Note e: decreased primarily due to increase in loans and reduction of trade payables.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

42. TRANSACTIONS WITH STRUCK OFF COMPANIES

There are no transactions with struck off companies during the year ended March 31, 2023 and March 31, 2022.

43. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, no funds have been received by the Group from any parties (Funding Parties) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

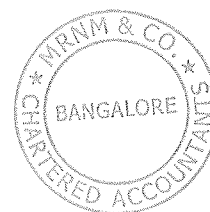
44. BUSINESS COMBINATION

The Holding Company, Astral Limited has entered into definitive agreements with Gem Paints Private Limited (hereafter known as Gem Paints) and its shareholders to acquire 51% controlling stake in its Operating Paint Business w.e.f. April 1, 2022. Presently, the Holding Company has subscribed to optionally convertible debentures, allowing the Holding Company to appoint majority of the directors on board of Gem Paints Private Limited for a consideration of Rs. 1,940 million. Basis the above, Gem Paints has become subsidiary of the Holding Company.

Under the definitive agreements, the operating paint business of Gem Paints is proposed to be demerged to a subsidiary of Gem Paints, wherein the Holding Company will acquire 51% controlling stake. Presently, the scheme of arrangement for demerger is under process for regulatory approvals.

45. EVENTS AFTER THE REPORTING PERIOD

No events are reportable under this heading



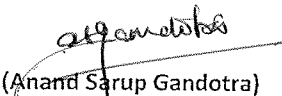
GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023


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

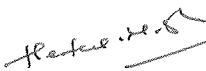
See accompanying notes to the ~~Standalone~~ financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 013072S


(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

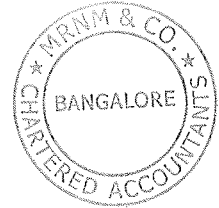

(Ashwani Gandotra)
Whole Time Director
DIN:00049386


(Hetal N Shah)
Partner
Membership No : 223229


(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary

Place : Bengaluru
Date : May 12, 2023



Place : Bengaluru
Date : May 12, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Gem Paints Private Limited

Report on the Audit of the Consolidated Financial Statements

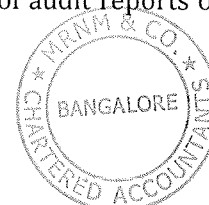
Opinion

We have audited the accompanying consolidated financial statements of **Gem Paints Private Limited** (*"Holding Company or The Company"*) and its subsidiary (Holding company and its subsidiary together referred to as *"The Group"*) and its associates, which comprise the Consolidated Balance Sheet as at 31st March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated statement of cash flows for the year ended then, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as *"the consolidated financial statements"*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the *"Act"*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (*"Ind AS"*) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of





the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Information other than the financial statements and auditors report thereon

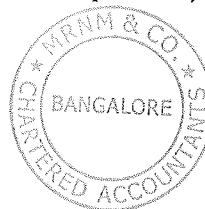
The Holding Company's Board of Directors is responsible for the other information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group and its associates.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the consolidated 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 SA's 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 be reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Other Matters

We did not audit the financial statements/ financial information of subsidiary, whose financial statements, whose financial statements/financial information reflects total assets Rs 670.54 million and total net loss of Rs 0.83 million (excluding other comprehensive income) and total comprehensive Gain of Rs. 391.59 million for the year ended on that date. In respect of three associates, whose financial statements have not been audited by us whose financial statements/financial include Group's share of net loss of Rs. 0.03 million for the year ended on that date. These financial statements have been audited by the other auditors and our opinion on the





consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect the subsidiary and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiary and associates is based solely on the audit reports of the other auditors.

Subsidiary are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country.

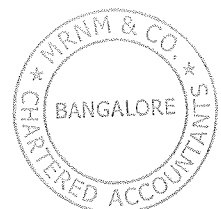
The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

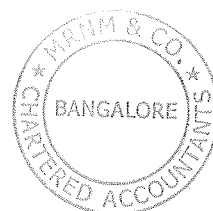
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit on the consideration of reports of the other auditors on separate financial statements of subsidiary and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 of the aforesaid consolidated financial statements;



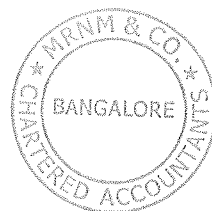


- b. In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of Holding Company and the reports of statutory auditors of its subsidiary company incorporated outside India and associate companies incorporated in India, none of the directors of the Group Companies and its associate companies is disqualified as on March 31, 2023 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 "Annexure-B", which is based on our audit. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of its subsidiary incorporated outside India and associates incorporated India, as noted in the 'Other Matters' paragraph:





- i. The Group and associates do not have any pending litigations which would impact its financial position.
- ii. The Group and associates 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.
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note to accounts 40 to the consolidated financial statements, there are funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by Group to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary or associate companies from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary incorporated outside India or associate companies incorporated in India shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under subclauses (a) and (b) above contain any material misstatement.





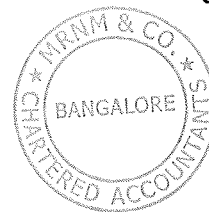
- v. During the year group and its associates did not declare or paid dividend to its shareholders, hence, the same is not applicable
- vi. The Hon'ble Ministry of Company Affairs vide notification G.S.R 248(E) dated April 1,2021 has deferred the requirement to maintain books of accounts which has a feature of recording audit trial. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for group and its associates, considering that the applicability date of the proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 will commence on or after 1st April, 2023, in the absence of compliance requirement for the company we are not reporting under the rule 11(g) of Companies (Audit and Auditors) Rules, 2014.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S

Hetal N Shah
Hetal N Shah

Partner
Membership No: 223229
UDIN: 23223229BGQPCU8308

Place: Bengaluru
Date: 12-05-2023





"ANNEXURE-A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date on the accounts of the company for the year ended 31st March 2023)

- a. In our opinion and according to the information and explanations given to us, there are no unfavourable or qualifications in the Companies (Auditor's Report) Order 2020, reports of the Holding Company and its subsidiary:

Sr No	Name	Country of incorporation	Holding Company/Subsidiary/ Associate	Clause number of the CARO report which is qualified or adverse
1	Gem Paints Private Limited	India	Holding Company	No Unfavourable or Qualifications
2.	Esha Paints Private Limited	India	Subsidiary	No Unfavourable or Qualifications
2	Enterprise Software & Technology Services Private Limited	Singapore	Subsidiary	CARO 2020 is not applicable

- b. In our opinion and according to the information and explanations given to us, there are no unfavorable or qualifications or adverse remarks in the Companies (Auditor's Report) Order, 2020 reports of the associate companies incorporated in India:

Sr No	Name	Country of incorporation	Holding Company/Subsidiary/ Associate	CIN /LLPIN
1	Womenova Agro Food Park Private Limited	India	Associate	U74999TG2018PTC123938
2	Samwin Consolidation LLP	India	Associate	AAJ-0716
3	Cyphysignals India Private Limited	India	Associate	U72900KA2017PTC104036

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S

Hetal N Shah
Hetal N Shah

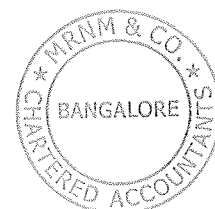
Partner

Membership No: 223229

UDIN: 23223229BGQPCU8308

Place: Bengaluru

Date: 12-05-2023





"ANNEXURE-B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(g) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date on the consolidated financial statements)

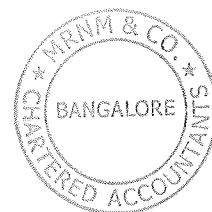
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Gem Paints Private Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated outside India which are its subsidiary company, and its associate companies, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,





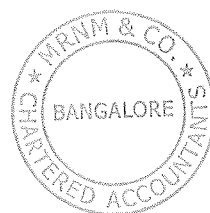
the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 the consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant associate company, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.





Meaning of Internal Financial Controls Over Financial Reporting

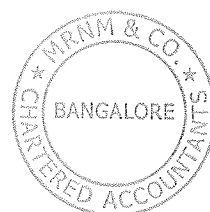
A company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control with reference to the consolidated 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

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





Other Matters

Our aforesaid report under Section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company which is incorporated in India, is based solely on the corresponding reports of the auditors. However, an associate, being a limited liability partnership firm, the provision of section 143(3) does not apply and hence, our report does not cover the internal financial controls over financial reporting on Samwin Consolidations LLP.

Our opinion is not modified in respect of the above matters.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S

Hetal N Shah

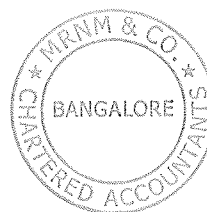
Partner

Membership No: 223229

UDIN: 23223229BGQPCU8308

Place: Bengaluru

Date: 12-05-2023



GEM PAINTS PRIVATE LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Millions)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	590.14	523.20
(b) Capital work-in-progress	3(D)	-	16.11
(c) Goodwill	3(E)	0.02	0.02
(d) Intangible assets	3(B)	5.01	-
(e) Right of use assets	3(C)	68.54	69.27
(f) Financial assets			
(i) Investments	4	1,069.26	635.40
(ii) Loans	5	218.50	220.50
(iii) Other financial assets	6	129.27	10.15
(g) Deferred tax assets (Net)	7	40.96	2.16
(h) Other non-current assets	8	4.74	-
Total non-current assets		2,126.43	1,476.81
Current assets			
(a) Inventories	9	352.14	507.99
(b) Financial assets			
(i) Investments	4	51.01	-
(ii) Trade receivables	10	479.13	579.04
(iii) Cash and cash equivalents	11	1,194.31	287.72
(iv) Other balances with banks	12	1,153.19	16.47
(v) Loans	5	153.35	0.75
(vi) Other financial assets	6	63.55	44.37
(c) Current tax assets (net)	13	-	12.85
(d) Other current assets	8	5.64	3.76
Total current assets		3,452.32	1,452.95
Total assets		5,578.76	2,929.76
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	149.95	149.95
(b) Other equity	15	2,884.64	2,151.70
Equity attributable to owners of the Parent		3,034.59	2,301.65
Non-controlling Interest		-	-
Total equity		3,034.59	2,301.65
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	188.28	212.25
(b) Provisions	17	5.48	-
Total non-current liabilities		193.76	212.25
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,106.71	93.68
(ii) Trade payables	18		
a total outstanding dues of micro enterprises and small enterprises		53.93	96.26
b total outstanding dues of creditors other than micro enterprises and small enterprises		104.90	162.40
(iii) Other financial liabilities	19	38.47	30.38
(b) Other current liabilities	20	26.62	22.82
(c) Provisions	17	9.34	-
(d) Current tax liabilities (Net)	21	10.44	10.31
Total current liabilities		2,350.41	415.86
Total liabilities		2,544.16	628.11
Total equity and liabilities		5,578.76	2,929.76


See accompanying notes to the consolidated financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715


(Anand Sarup Gandotra)
Managing Director
DIN : 00049342



(Ashwani Gandotra)
Director
DIN:00049386


(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary

Place : Bengaluru
Date : May 12, 2023

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725


(Hetal N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

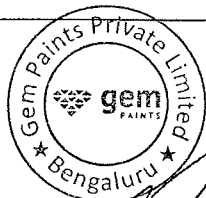
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Millions)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	2,157.61	2,008.03
Other income	23	212.11	130.86
Total		2,369.72	2,138.89
Expenses			
Cost of materials consumed	24	1,394.97	1,350.68
Changes in inventories of finished goods	25	101.85	(30.22)
Employee benefits expense	26	195.34	191.61
Finance costs	27	26.17	13.21
Depreciation and amortization expense	28	31.12	37.15
Other expenses	29	230.46	190.75
Total		1,979.90	1,753.18
Profit before tax before share of profit / (loss) of associates and tax		389.82	385.71
Add : Share in net profit / (loss) of associates		(0.03)	(0.51)
Profit before tax		389.80	385.20
Tax expense	30		
Current tax		107.81	94.74
Deferred tax		(38.80)	(4.41)
Total tax expense		69.01	90.33
Profit for the year		320.79	294.87
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Equity Instruments through OCI		392.42	-
- Remeasurements gain/(loss) on defined benefit plans		(0.92)	-
Items that may be reclassified to profit or loss			
- Currency Translation (Loss)/Gain		56.63	-
Total other comprehensive income		448.14	-
Total comprehensive income for the year		768.92	294.87
Profit Attributable to:-			
Owners of the Parent		320.79	294.87
Non-controlling Interests		-	-
		320.79	294.87
Other Comprehensive Income/(loss) attributable to:-			
Owners of the Parent		448.14	-
Non-controlling Interests		-	-
		448.14	-
Total Comprehensive Income attributable to:-			
Owners of the Parent		768.92	294.87
Non-controlling Interests		-	-
		768.92	294.87
Earnings per equity share (Face value of Re. 1/- each)	31		
- Basic (in Rs.)		213.93	196.65
- Diluted (in Rs.)		213.93	196.65

See accompanying notes to the consolidated financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715



For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725

(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

(Ashwani Gandotra)
Director
DIN:00049386

(Hiranand Savlani)
Chief Financial Officer

(Manan Bhavsar)
Company Secretary

(Hetal N Shah)
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023

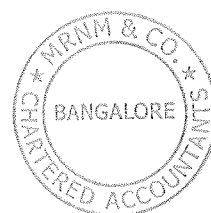


GEM PAINTS PRIVATE LIMITED

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Million)			
Sr No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	Cash flows from Operating Activities		
	Profit before tax	389.80	385.20
	Adjustments for :		-
	Depreciation and amortisation expense	31.12	37.15
	Finance costs	26.17	13.21
	Interest income	(100.57)	(10.14)
	Unrealised foreign exchange fluctuations	0.05	(0.51)
	Gain on Sale and purchase of mutual funds (net)	98.53	(115.12)
	(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(0.90)	(1.28)
	Allowance for expected credit loss	24.37	16.23
	Bad-debts written off	1.55	13.97
	Credit balances written back	(0.97)	(2.81)
	Share of loss of associates	0.03	0.51
	Operating profit before Working Capital Changes	469.16	336.41
	Changes in working capital :		
	(Increase)/Decrease in Inventories	155.85	(88.56)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	(31.66)	(181.01)
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(116.92)	29.16
	Cash generated from operations	476.42	96.00
	Income taxes paid (net of refunds)	(94.83)	(94.74)
	Net cash generated from Operating Activities [A]	381.60	1.26
B	Cash flows from investing activities		
	Payment for purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(85.10)	(186.95)
	Proceeds from Sale of property, plant and equipment	4.59	1.81
	(Increase)/Decrease in other balances with banks	(1,136.72)	(16.47)
	Interest Received	63.62	10.14
	Gain on Sale and purchase of mutual funds (net)	55.49	199.17
	Investment made in Subsidiary Company	(0.10)	-
	Proceeds/(Investment) made in Debentures/Others	(189.76)	-
	Net Cash flow generated/(used) in Investing Activities [B]	(1,287.99)	7.70
C	Cash flow from Financing Activities		
	Finance Cost paid	(25.48)	(11.83)
	Proceeds from Long Term Borrowings	20.00	90.00
	Repayment of Long Term Borrowings	(39.27)	(14.27)
	Loans (given) / repayment received	(150.60)	55.20
	Proceeds / (Repayment) from Short Term Borrowings	2,008.33	33.85
	Net Cash flow used in Financing Activities [C]	1,812.98	152.95
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	906.59	161.91
	Cash and cash equivalents at the beginning of the year (Note 11)	287.72	125.81
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.00	-
	Cash and Cash Equivalents at the end of the year (Note 11)	1,194.31	287.72

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



GEM PAINTS PRIVATE LIMITED

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Changes in liabilities arising from financing activities

(Rs. in Million)

Particulars	Non-current borrowings*	Current borrowings	Total
Balance as at April 1, 2021	174.47	21.88	196.35
Cash flows	75.73	33.85	109.58
Balance as at March 31, 2022	250.20	55.73	305.93
Cash flows	(19.27)	2,008.33	1,989.06
Balance as at March 31, 2023	230.93	2,064.06	2,294.99

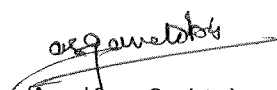
* Non-current borrowings including current maturities classified in Other Financial liabilities.

See accompanying notes to the consolidated financial statements
As per report of even date.


For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715

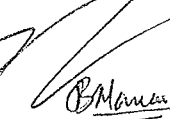


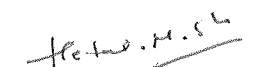
For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725


(Anand Sarup Gandotra)
Managing Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386

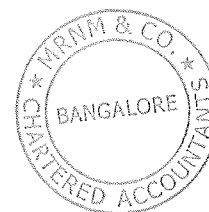

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary


Hetal N Shah
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a Equity share capital (Note 14)

Particulars	(Rs. In Millions) Amount
Balance as at April 1, 2021	149.95
Add: movement during the year	-
Balance as at March 31, 2022	149.95
Add: movement during the year	-
Balance as at March 31, 2023	149.95

b Other Equity (Note 15)

Particulars	Other equity				(Rs. In Millions)	
	Debt Redemption Reserve	General reserve	Foreign Currency Translation Reserve	Capital Reserve	Retained earnings	Total other equity
Balance as at April 1, 2021	-	21.04	-	1.34	1,834.46	1,856.83
Profit for the year	-	-	-	-	294.87	294.87
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at March 31, 2022	-	21.04	-	1.34	2,129.33	2,151.70
Less: Gratuity provisions as at April 1, 2022	-	21.04	-	-	-	-
Less: Leave encashment provisions as at April 1, 2022	-	-	-	-	-	-
Balance at the April 1, 2022 (restated)	-	21.04	-	-	2,129.33	2,151.70
Add: Profit For the Period	-	21.04	-	1.34	32.72	32.72
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	56.63	-	2,093.34	2,115.71
Add: Equity Instruments through OCI (Net of income tax, if any)	-	-	-	-	320.79	377.42
Add/(Less): Transferred to Debt Redemption Reserve	-	-	-	-	(0.92)	(0.92)
Add/(Less): Transferred to General Reserve	194.00	-	-	-	392.42	392.42
Add/(Less): Transferred to General Reserve	-	1,905.51	-	-	(194.00)	-
Total comprehensive income for the year	194.00	1,926.55	-	-	(1,905.51)	-
Balance as at March 31, 2023	194.00	1,926.55	56.63	1.34	706.12	2,884.64
			56.63	1.34	706.12	2,884.64

See accompanying notes to the consolidated financial statements
As per report of even date.

For and on behalf of the Board of Directors of

Gem Paints Private Limited

CIN: U24220KA1980PTC003715

For M R N M & CO

Chartered Accountant

ICAI Firm Registration No : 013072S



(Signature)
(Manan Bhavsar)
Company Secretary

(Signature)
(Hiranand Savlani)
Chief Financial Officer

(Signature)
(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

(Signature)
(Anand Sarup Gandotra)
Managing Director
DIN : 00049386

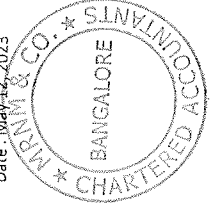
(Hetal N Shah)

Partner

Membership No : 223229

Place : Bengaluru

Date : May 12, 2023



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. GROUP'S BACKGROUND:

The Consolidated financial statements comprise consolidated financial statements of Gem Paints Private Limited ("the Parent" or "the Company" or "Holding Company") and its subsidiaries (collectively, the Group) for year ended March 31, 2023.

Gem Paints Private Limited (the 'Holding Company') was incorporated on 24th January 1980 under the Companies act 1956. The registered office of the Holding Company is located at No 417/418, 11th cross, 4th Phase Peenya Industrial Area, Bengaluru Karnataka -560 058. The Holding Company is primarily engaged in the business of manufacturing, selling and distribution of Paints, Varnishes, coatings and products related to home décor, industrial paints and providing related services.

The Consolidated financial statements were approved for issue by the resolution of board of directors on May 12, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Consolidated financial statements

The Consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereafter read with Section 133 of the Companies Act, 2013, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These are the Company's first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2021. Refer note 38 for the details of first-time adoption exemptions availed by the Company. All accounting policies are consistently applied;

The consolidated financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone consolidated financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Holding Company, and all values are rounded to in Million, except where otherwise indicated.

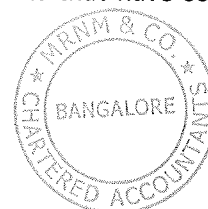
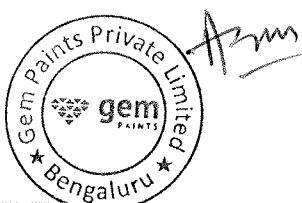
Fair value:

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

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

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

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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 consolidated 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) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

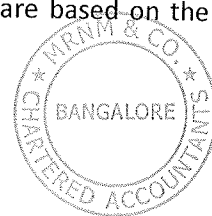
- The contractual arrangement with the other vote holders of the investee;
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets), are eliminated in full. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

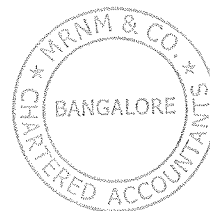
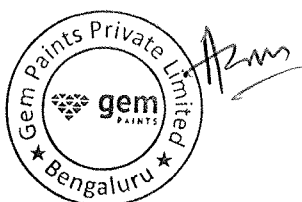
c) Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. Under equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss and other comprehensive income of the joint venture. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long term interest that, in substance, form part of Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with a joint venture of the Group, profit and losses resulting from the transaction with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in joint venture that are not related to the Group.



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

When necessary, adjustments are made to bring the accounting policies in line with those of the Group. The financial statements of the joint venture used in applying the equity method are prepared as of a date different from that used by the entity, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the entity's financial statements. The length of the reporting periods and difference between the ends of the reporting periods are same from period to period.

d) Use of Estimates

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

e) Inventories

Inventories are stated at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing the inventories to their present location and condition. Raw materials and Packing materials are valued on weighted average costs. 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.

f) Cash and cash equivalents

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

g) Revenue from contract with customer

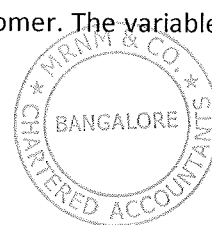
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Trade receivables (Contract balances)

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

Interest Income

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

Insurance claims

Insurance claims are accounted to the extent that there is no uncertainty in receiving the claims.

h) Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

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

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

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 period is provided on pro-rata basis with reference to the date of addition / disposal.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2021 (transition date) mentioned as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i) 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. 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 amortised over their estimated useful life on a straight-line basis over a period of 5 years.

j) Foreign Currencies

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

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

k) Employee Benefits

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

Defined Contribution Plan:

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

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(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 recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- 1) Service costs comprising past and 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 period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

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

l) Borrowing costs

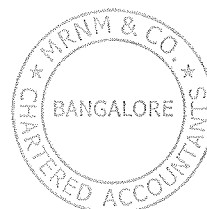
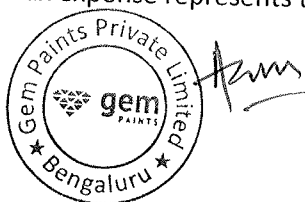
Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with arrangement of borrowings.

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 on the qualifying asset is interrupted.

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

m) Taxation

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



GEM PAINTS PRIVATE LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

Current Tax

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 utilised. 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 period:

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

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the company.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

n) Provisions, Contingent Liabilities and 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 consolidated financial statements when an inflow/ outflow of economic benefits/ loss is not probable.

o) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Investments in associates are accounted for using the equity method. Under the equity method the investment in associates is initially recognised at cost. The carrying amount of investment is adjusted to recognise changes.

Transition to Ind AS

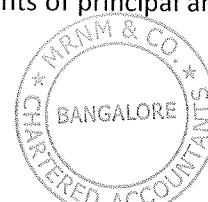
Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the previous GAAP carrying amount in accordance with Ind AS-39 as its deemed cost on the date of transition to Ind AS i.e., April 1, 2021.

p) Non-derivative Financial Instruments

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 consolidated financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Impairment

Financial assets (other than at fair value)

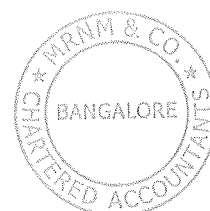
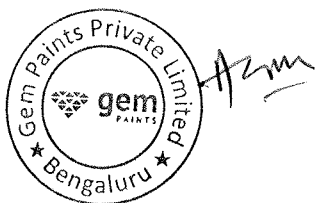
The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/or all trade receivables that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



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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 periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

r) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

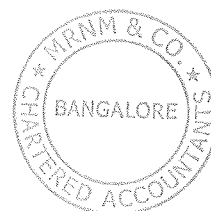
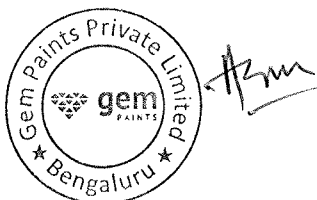
All other liabilities are classified as non-current.

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

The Company has identified twelve months as its operating cycle.

s) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of the revenues and expenses for the periods 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.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Key sources of estimation uncertainty

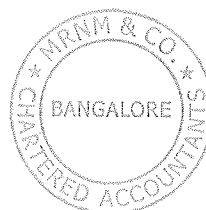
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial period.

i. Useful lives of property, plant and equipment and intangible assets

As described in above, the Company reviews the estimated useful lives and residual values of property, plant and equipment 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.

ii. Provisions and Contingent Liabilities

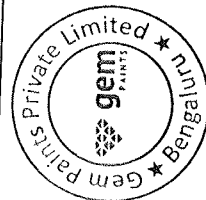
Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



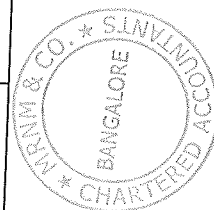
GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
3 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT TO USE OF ASSETS AND CAPITAL WORK IN PROGRESS (CWIP)

Sr. No.	Assets	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION AND AMORTISATION				(Rs. in millions)	
		As At April 1, 2022	Reclassification	Additions	Disposals/ Adjustments	As At March 31, 2023	As At April 1, 2022	For the year	Disposals/ Adjustments	As At March 31, 2023	NET CARRYING AMOUNT	As At March 31, 2023
(A)	PROPERTY, PLANT AND EQUIPMENT											
1	Land	67.40	-	-	3.11	64.29	-	-	-	-	64.29	
		67.40	-	-	-	67.40	-	-	-	-	67.40	
2	Building	238.34	-	20.70	-	255.69	3.35	8.62	-	8.62	247.07	
		66.07	-	172.27	-	238.34	-	3.35	-	3.35	234.99	
3	Plant & Machinery	225.26	1.79	29.36	-	228.24	26.92	16.03	-	16.03	212.21	
		54.10	-	171.16	-	225.26	-	26.92	-	26.92	198.34	
4	Furniture and Fixtures	7.54	0.14	35.70	0.07	41.41	1.71	2.14	-	2.14	39.27	
		6.06	-	1.48	-	7.54	-	1.71	-	1.71	5.82	
5	Vehicles	13.68	-	4.50	0.28	15.24	2.66	1.96	-	1.96	13.28	
		9.25	-	4.96	0.53	13.68	-	2.66	-	2.66	11.02	
6	Computers and Office Equipment	8.13	(1.93)	10.70	0.24	15.59	2.50	1.57	-	1.57	14.02	
		4.17	-	3.96	-	8.13	-	2.50	-	2.50	5.63	
	Total	560.35	-	100.95	3.69	620.46	37.15	30.32	-	30.32	590.14	
		207.05	-	353.83	0.53	560.35	-	37.15	-	37.15	523.20	
(B)	INTANGIBLE ASSETS											
1	Computer Software	-	-	4.97	-	4.97	-	0.05	-	0.05	4.93	
		-	-	-	-	-	-	-	-	-	-	
2	Trademark	-	-	0.10	-	0.10	-	0.02	-	0.02	0.08	
		-	-	-	-	-	-	-	-	-	-	
	Total	-	-	5.07	-	5.07	-	0.06	-	0.06	5.01	
(C)	RIGHT OF USE ASSETS											
1	Leasehold Land	69.27	-	-	-	69.27	-	0.73	-	0.73	68.54	
		69.27	-	-	-	69.27	-	-	-	-	69.27	
	Total	69.27	-	-	-	69.27	-	0.73	-	0.73	68.54	
		69.27	-	-	-	69.27	-	-	-	-	69.27	



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(D) CAPITAL WORK IN PROGRESS (CWIP) AGEING SCHEDULE:

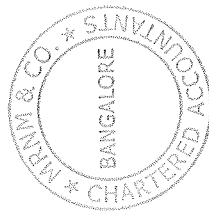
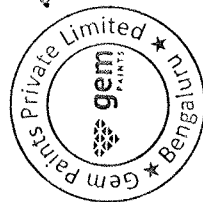
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Core Business:					
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2022					
Projects in progress	16.11	-	-	-	16.11
Total	16.11	-	-	-	16.11

Note 1: Change in estimate:

The Holding Company was charging the depreciation on Written Down Value Method ('WDV'), over the useful lives of the assets as estimated by the management as prescribed under the Schedule II. W.e.f. April 1, 2022, the Holding Company has elected to charge the depreciation on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. Resulting impact due to this change in estimate will be spread over the remaining useful life of the respective assets.

Note 2: Figure in bold are of current year and in italics are of the previous years.

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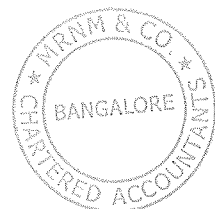
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3(E) GOODWILL

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Goodwill on consolidation	0.02	0.02
Total	0.02	0.02

4 INVESTMENTS

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments of Associates and others at deemed cost		
Unquoted		
i) 10 (0.10% of holding) (as at March 31, 2022 : Nil) Equity Shares of Rs. 10/- each fully paid up in others, Dotkonnekt Innovation Labs Private Limited, India.	0.00	0.00
ii) 5,384 (35% of holding) (as at March 31, 2022 : 5384) Equity Shares of Rs.10/- each fully paid up in associates, Womenova Agro Food Private Limited, India. (Refer note 32)	14.98	15.00
iii) (33.33% of partnership) (as at March 31, 2022 : 33.33% partnership) in associates partnership, Samwin Consolidation LLP, India. (Refer note 32)	206.75	206.75
iv) 169 (14.10% of holding) (as at March 31, 2022 : Nil) Equity Shares of AED 150/- each fully paid up in others, Enterprise Software And Technology Services FZCO, Dubai.	545.73	-
Total	767.46	221.76
Investment in Preference Shares of Associates at deemed cost		
Unquoted		
i) 48,456 (100 % of holding) (as at March 31, 2022 : 100%) Preference Shares of Rs.10/- each fully paid up in associates, Womenova Agro Food Private Limited, India.	135.00	135.00
Total	135.00	135.00
Investments in Associates and Others	902.46	356.76
Investment in Preference Shares of Step down associates at deemed cost		
Unquoted		
i) 545 (100 % of holding) (as at March 31, 2022 : 100%) Preference Shares of Rs.10/- each fully paid up in Step down associates, Cyphysignals India Private Limited, India.	10.00	10.00
Investment in Preference Shares of Step down associates	10.00	10.00
Investment in Debentures		
i) 932,280 (100 % of holding) (as at March 31, 2022 : Nil) Compulsorily Convertible Debentures of Rs.100/- each fully paid up in Dotkonnekt Innovation Labs Private Limited, India.	93.23	-
Investment in Debentures	93.23	-
Investment in Others		
Mutual Funds	63.57	268.60
Others - National Savings Certificates	-	0.04
Investment in Others	63.57	268.64
Total	1,069.26	635.40
Current Investments		
Mutual Funds	51.01	-
Total	51.01	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5 LOANS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
(Unsecured, considered good)			
Loans to related parties (refer note 34)			
Loan to Womenova Agro Food Park Private Limited	188.50	178.50	
Loan to Indigene Food and Beverages Private Limited	10.00	10.00	
Loan to Nutrimense Foods & Supplements Private Limited	20.00	20.00	
Total	218.50	220.50	
Current			
(Unsecured, considered good)			
Loans to related parties (refer note 34)			
Loan to Hitin Property Developments	12.00	-	
Loans to other parties			
Loan to LSR Infra	8.20	-	
Loan to Trivenimudrai Project Limited	80.00	-	
Loan to Sands Granites	12.50	-	
Loan to SGD Universal Private Limited	40.00	-	
Loans and Advances to Employees	0.65	0.75	
Total	153.35	0.75	

Note Refer note 36 for detailed disclosure on the fair values.

6 OTHER FINANCIAL ASSETS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
(Unsecured, considered good)			
Security deposits	4.46	10.15	
Advance for purchase of non current investment	124.81	-	
Total	129.27	10.15	
Current			
(Unsecured, considered good)			
Security deposits	6.04	-	
Interest accrued on loans and deposits from related parties (refer note 34)	37.49	25.49	
Interest accrued on loans and deposits from others	20.01	-	
Others	-	18.88	
Total	63.55	44.37	

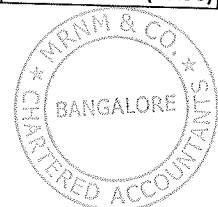
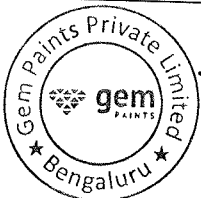
Note Refer note 36 for detailed disclosure on the fair values.

7 DEFERRED TAX ASSETS (NET)

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Deferred Tax Assets (Net)	40.96	2.16	
Total	40.96	2.16	

Deferred tax liabilities/(assets) in relation to :

		(Rs. In Millions)		
Sr	Particulars	As at April 1, 2022	Recognised in Profit and Loss statement	As at March 31, 2023
a	Difference between book balance and tax balance of fixed assets	7.87	3.72	11.59
b	Provision For Doubtful Trade Receivable	(4.09)	(6.13)	(10.22)
c	Disallowances under Section 43B of the Income Tax Act, 1961	(5.59)	(36.74)	(42.33)
d	Others Adjustment	(0.35)	0.35	-
	Deferred tax Liabilities / (Assets)	(2.16)	(38.80)	(40.96)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8 OTHER ASSETS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
Capital Advances			
Prepaid Expenses	2.40	-	
	2.34	-	
Total	4.74	-	
Current			
Prepaid Expenses			
Advances to Suppliers	3.98	3.76	
	1.66	-	
Total	5.64	3.76	

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

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Raw Materials			
Finished Goods	170.29	213.36	
Packing Materials	166.96	268.81	
	14.89	25.82	
Total	352.14	507.99	

10 TRADE RECEIVABLES

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Current			
Unsecured, considered good			
Unsecured, considered doubtful	479.13	579.04	
Less : Allowance for doubtful debts (expected credit loss allowance)	40.60	16.23	
	(40.60)	(16.23)	
Total	479.13	579.04	

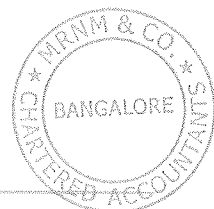
Break-up of trade receivables

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Trade receivables from other than related parties			
Receivables from related parties (refer note 34)	479.08	579.04	
	0.05	-	
Total	479.13	579.04	

Notes :

- The Company offers credit period up to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's creditability and defines credit limits for each customer. Such limits are reviewed annually.
- In determining the allowances for doubtful 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 Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Balance at the beginning of the year			
Add : Provision during the year	16.23	-	
Balance at the end of the year	24.37	16.23	
	40.60	16.23	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11 CASH AND CASH EQUIVALENTS

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.79	4.71
Balances with Banks in current accounts	50.95	283.02
Investment in mutual funds	370.57	-
In deposit accounts (with original maturity less than 3 months)	772.00	-
Total	1,194.31	287.72

12 OTHER BALANCES WITH BANKS

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
In deposit accounts (with maturity less than 12 months from the balance sheet date)	1,153.19	16.47
Total	1,153.19	16.47

13 TAX ASSETS

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Taxes receivable	-	12.85
Total	-	12.85

14 EQUITY SHARE CAPITAL

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,500,000 (as at March 31, 2022 : 2,500,000) Equity Shares of Rs.100/- each	250.00	250.00
Issued, Subscribed & Fully Paid Share		
1,499,475 (as at March 31, 2022 : 1,499,475) Equity Shares of Rs.100/- each	149.95	149.95
Total	149.95	149.95

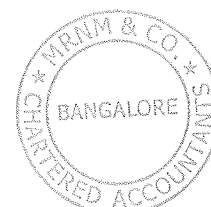
a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shares having value of Rs. 100 per Share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. All shares rank equally with regard to the Company's residual assets after distribution of all preferential amounts.

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

Particulars	No. of Shares	Rs in Million
Balance as at April 1, 2021	14,99,475	149.95
Add / (Less): Movement	-	-
Balance as at March 31, 2022	14,99,475	149.95
Add / (Less): Movement	-	-
Balance as at March 31, 2023	14,99,475	149.95

Note : No shares were allotted as bonus shares in the last five financial years.



GEM PAINTS PRIVATE LIMITED

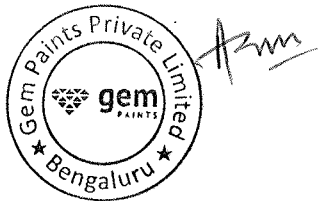
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Name of Shareholders		As at March 31, 2023	As at March 31, 2022
Anand Gandotra	No. of Shares % of Shares Held	7,30,461 48.71%	7,30,462 48.71%
Pratibha Gandotra	No. of Shares % of Shares Held	3,61,635 24.12%	3,61,635 24.12%
Nalin Gandotra	No. of Shares % of Shares Held	1,49,948 10.00%	1,49,948 10.00%
Ashwani Gandotra	No. of Shares % of Shares Held	1,07,430 7.16%	1,07,430 7.16%
Nitin Gandotra	No. of Shares % of Shares Held	75,000 5.00%	75,000 5.00%
Payal Suvrat Thatte	No. of Shares % of Shares Held	75,000 5.00%	75,000 5.00%

d) Shares held by Promoters and promoter group companies

Name of Shareholders	No of Shares	% of Total Shares	% Change during the year
As at March 31, 2023			
Anand Gandotra	7,30,461	48.71%	(0.00)
Pratibha Gandotra	3,61,635	24.12%	-
Nalin Gandotra	1,49,948	10.00%	-
Ashwani Gandotra	1,07,430	7.16%	-
Nitin Gandotra	75,000	5.00%	-
Payal Suvrat Thatte	75,000	5.00%	-
Roshini Udaya Shetty	1	0.00%	100.00
As at March 31, 2022			
Anand Gandotra	7,30,462	48.71%	-
Pratibha Gandotra	3,61,635	24.12%	-
Nalin Gandotra	1,49,948	10.00%	-
Ashwani Gandotra	1,07,430	7.16%	-
Nitin Gandotra	75,000	5.00%	-
Payal Suvrat Thatte	75,000	5.00%	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

15 OTHER EQUITY

Particulars	(Rs. In Millions)	
	As at March 31, 2023	As at March 31, 2022
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Add: Created during the year	194.00	-
Balance at the end of the year	194.00	-
General Reserve		
Balance at the beginning of the year	21.04	21.04
Add : Transferred from Surplus in	1,905.51	-
Balance at the end of the year	1,926.55	21.04
Foreign Currency Translation Reserve		
Balance at the beginning of the year	-	-
Add : Other comprehensive income arising from Currency Translation (Loss)/Gain	56.63	-
Balance at the end of the year	56.63	-
Capital Reserve		
Balance at the beginning of the year	1.34	1.34
Add : During the period	-	-
Balance at the end of the year	1.34	1.34
Retained earnings		
Balance at the beginning of the year	2,129.33	1,834.46
Less: Gratuity provisions as at 1 April 2022	32.72	-
Less: Leave encashment provisions as at 1 April 2022	3.27	-
Balance at the beginning of the year (<i>restated</i>)	2,093.34	1,834.46
Add : Profit For the Year	320.79	294.87
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.92)	-
Add : Equity Instruments through OCI (Net of income tax, if any)	392.42	-
Less : Transferred to Debenture Redemption Reserve	194.00	-
Less : Transferred to General Reserve	1,905.51	-
Balance at the end of the year	706.12	2,129.33
Total	2,884.64	2,151.70

Notes

Debenture Redemption Reserve

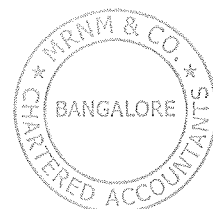
The Company was required to create a Debenture Redemption Reserve out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies Act, 2013. DRR created be transferred to retained earnings on redemption of debentures.

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.

General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It can be used for distribution to equity shareholders only in compliance with the Companies Act, 2014, as amended.



16 BORROWINGS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
Secured - at amortised cost			
Term Loans From Banks	230.93	250.20	
Less : Current maturity of long term loans	42.65	37.95	
Total	188.28	212.25	
Current			
Secured - at amortised cost			
Working capital loan	124.06	55.73	
Current maturities of long term loans	42.65	37.95	
Unsecured - at amortised cost	166.71	93.68	
0.0001% Optionally Convertible Debentures (OCDs)	1,940.00	-	
Total	2,106.71	93.68	

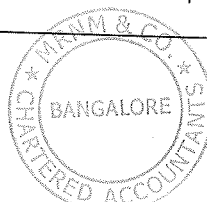
- 1 Refer Note 36 for information about liquidity risk.
- 2 Term Loans are Secured by way of first charge, in respect of entire current assets of the Company both present and future and fixed assets of the Company, both present and future (Note 3,9,10) also secured by Personal Guarantee of Mr. Anand Gandotra and Mrs. Pratibha Gandotra. Rate of interest for Term Loan ranges from 7 to 8.85%.
 - a HDFC Bank Limited Term Loans of Rs. 230.93 million (as at March 31, 2022 : Rs. 250.20 million) repayable within 85 months (i.e. by December 2027)
- 2 Working capital loans consist of
 - i) Overdraft facilities which is Secured by fixed deposits, Rate of interest for these Working Capital Loan ranges from 6 to 7%.
 - ii) Cash credit facilities which is Secured by way of first charge, in respect of entire current assets of the Company both present and future and fixed assets of the Company, both present and future (Note 3,9,10) also secured by Personal Guarantee of Mr. Anand Gandotra and Mrs. Pratibha Gandotra. Rate of interest for Term Loan ranges from 7% to 9%.
- a HDFC Bank Limited Working capital overdraft facility of Rs. 124.06 million (as at March 31, 2022 : Nil)
- b HDFC Bank Limited Working capital cash credit facility of Rs. Nil (as at March 31, 2022 : Rs. 55.73 million)
- 3 Astral Limited has subscribed to 19400 Optionally Convertible Debentures (OCDs) vide agreement dated April 29, 2022, equivalent to face value of Rs. 0.1 million being 51% controlling stake w.e.f. April 1, 2022 of operating paint business of Gem Paints Private Limited. The operating paint business of Gem Paints is proposed to be demerged to a wholly owned subsidiary of Gem Paints viz. Esha Paints Private Limited. Upon the completion of demerger, Astral Limited will acquire 51% equity shares of Esha Paints Private Limited against the redemption of the said OCDs. The name of Esha Paints Private Limited is proposed to be changed to Gem Paints Private Limited under the demerger scheme.

17 PROVISIONS

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current			
Provision for Employee Benefits (refer note 33)	5.48	-	
Total	5.48	-	
Current			
Provision for Employee Benefits (refer note 33)	9.34	-	
Total	9.34	-	

18 TRADE PAYABLES

		(Rs. In Millions)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Current			
Total outstanding dues of micro enterprises and small enterprises (Note a)	53.93	96.26	
Total	53.93	96.26	
total outstanding dues of creditors other than micro enterprises and small enterprises	104.90	162.40	
Total	104.90	162.40	



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

b 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.

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

19 OTHER FINANCIAL LIABILITIES

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued but not due on borrowings	1.79	1.13
Payable for capital goods	11.30	4.08
Others	25.37	25.18
Total	38.47	30.38

20 OTHER LIABILITIES

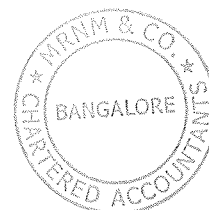
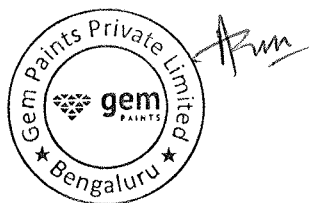
(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory dues	23.84	22.82
Advance received from customers	2.78	
Total	26.62	22.82

21 CURRENT TAX LIABILITIES (NET)

(Rs. In Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance payment of tax)	10.44	10.31
Total	10.44	10.31



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

22 REVENUE FROM OPERATIONS

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Contract with customers	2,157.61	2,008.03
Total	2,157.61	2,008.03

Note: The Group revenue is consist of Paints, Varnishes, coatings and products related to home décor, industrial paints and hence no disaggregation of revenue is provided. Other information relating to contract balance i.e. Trade Receivables and Advance from customers, are stated in note 10 and 20 respectively.

23 OTHER INCOME

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income comprises		
From Banks	80.82	0.61
From Related party (refer note 34)	18.86	9.46
From Others	0.89	0.07
Profit on Sale of Current Investments (Net)	98.53	111.35
Profit on Sale of Property, Plant and Equipment (Net)	-	1.28
Miscellaneous Income	13.01	8.09
Total	212.11	130.86

* Includes impact of financial instruments.

24 COST OF MATERIALS CONSUMED

Consumption of Raw Material:

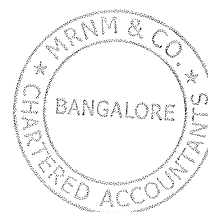
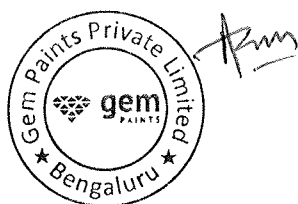
(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	213.36	159.53
Add : Purchases	1,160.27	1,207.83
Less : Inventories at the end of the year	170.29	213.36
Total [A]	1,203.34	1,154.00

Consumption of Packing Material:

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	25.82	21.31
Add : Purchases	180.71	201.18
Less : Inventories at the end of the year	14.89	25.82
Total [B]	191.63	196.68
Total [A]+[B]	1,394.97	1,350.68

25 CHANGES IN INVENTORIES OF FINISHED GOODS

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	166.96	268.81
Inventories at the beginning of the year		
Finished Goods	268.81	238.59
Net (Increase) / Decrease	101.85	(30.22)



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

26 EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	175.34	177.25
Contribution to Provident and Other Funds (refer note 33)	9.59	6.44
Staff Welfare Expenses	10.40	7.92
Total	195.34	191.61

27 FINANCE COSTS

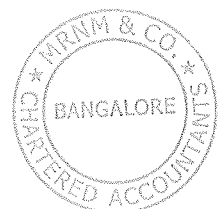
(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
Working capital and term loans	25.46	11.83
Others	0.68	-
Other borrowing costs	0.03	1.38
Total	26.17	13.21

28 DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Note 3 (A))	30.50	37.15
Amortisation on Intangible assets (Note 3 (B))	0.06	-
Amortisation on Right of use assets (Note 3 (C))	0.55	-
Total	31.12	37.15

29 OTHER EXPENSES

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores, Spares and Packing Materials	5.21	2.75
Power and Fuel	14.76	11.83
Rent (refer note 34 & 35)	14.10	15.87
Repairs expenses	12.43	9.74
Insurance expenses	3.35	4.45
Rates and Taxes	4.85	4.34
Communication expenses	1.82	1.32
Travelling expenses	19.74	11.44
Factory and Other expenses	1.65	4.40
Printing and stationery expenses	1.81	2.86
Freight and Forwarding	29.25	19.70
Sales Promotions	14.51	45.23
Donations and Contributions	0.01	0.01
Expenditure on Corporate Social Responsibility	5.60	5.00
Security Service Charges	9.47	8.73
Legal and Professional	41.55	5.52
Payments to Auditors	1.60	1.75
Provision for Doubtful Trade Receivables	24.37	16.23
Net Loss on Foreign Currency transactions and translations	0.70	0.28
Loss on Sale of Property, plant and equipment (Net)	6.66	-
Other Expenses	17.03	19.30
Total	230.46	190.75



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

30 TAX EXPENSES

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	107.81	94.74
	107.81	94.74
Deferred tax		
In respect of the current year	(38.80)	(4.41)
Total	(38.80)	(4.41)

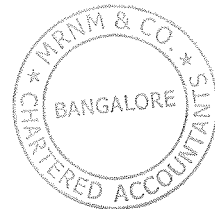
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	389.80	385.20
Income tax expense @25.168%	98.10	96.95
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
Exempt income not taxable	(12.07)	0.00
Effect of allowances and others	(12.54)	(10.69)
Total	73.49	86.26
Adjustments in respect of current income tax of previous year	(4.48)	4.07
Tax expense as per Statement of Profit and Loss	69.01	90.33

The Company's weighted average tax rates for the year ended March 31, 2023 and March 31, 2012 were 17.70% and 23.45% respectively.

31 EARNINGS PER SHARE:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to owners of the Parent Company (Rs. In Million)	320.79	294.87
Weighted average number of equity shares for Basic EPS	14,99,475	14,99,475
Add : Effects of dilutive shares options outstanding	-	-
Weighted average number of equity shares for Diluted EPS	14,99,475	14,99,475
Nominal Value per share (Rs.)	100	100
Basic Earnings Per Share (In Rs.)	213.93	196.65
Diluted Earnings Per Share (In Rs.)	213.93	196.65

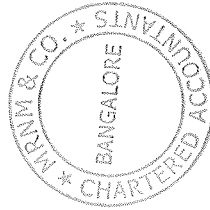
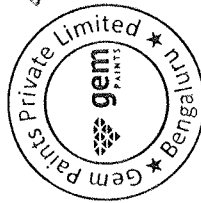


GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
5 : Trade receivables Ageing Schedule

(Rs. In Million)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Undisputed Trade Receivables – considered good	57.47	398.43	23.23	-	-	-	479.13
Undisputed Trade receivable – credit impaired	-	-	-	13.35	23.06	4.19	40.60
Total	57.47	398.43	23.23	13.35	23.06	4.19	519.73
As at March 31, 2022							
Undisputed Trade Receivables – considered good	122.92	433.55	5.31	10.47	4.90	1.90	579.04
Undisputed Trade receivable – credit impaired	-	-	-	16.23	-	-	16.23
Total	122.92	433.55	5.31	26.70	4.90	1.90	595.27

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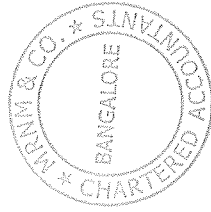
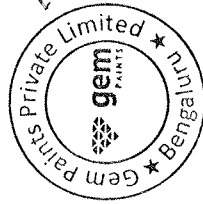


GEM PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note a: Trade Payables Ageing Schedule

Particulars	Unbilled Dues	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 years	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Total outstanding dues of micro enterprises and small	-	49.04	4.89	-	-	-	53.93
Total outstanding dues of creditors other than micro	19.98	68.89	15.84	0.03	0.08	0.08	104.90
Total	19.98	117.93	20.73	0.03	0.08	0.08	158.83
As at March 31, 2022							
Total outstanding dues of micro enterprises and small	-	11.96	84.30	-	-	-	96.26
Total outstanding dues of creditors other than micro	28.68	17.37	112.62	2.80	0.22	0.71	162.40
Total	28.68	29.33	196.92	2.80	0.22	0.71	258.66

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

32. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Disputed Income Tax/Central Excise/Sales Tax and PF demands *	-	-
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	21.82	-
2	Letters of Credits for Purchases	11.81	-

* 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:

Post-employment Benefit**Defined Contribution Plan:**

Amount towards Defined Contribution Plan have been recognised under "Contribution to Provident and Other funds" in Note 26 Rs. 5.84 Million (Previous Year: Rs. 5.64 Million).

Defined Benefit Plan:

The Group has defined benefit plans for gratuity to eligible employees, contributions for which are made to insurance service providers 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 Group 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.

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

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

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

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



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

Particulars	Gratuity (Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
Obligations at the beginning of the year	24.51	23.35
Current service cost	1.89	1.98
Interest cost	1.68	1.48
Past Service cost	8.21	-
Actuarial (gain) / loss – due to change in financial assumptions	(0.90)	(0.88)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (gain) / loss- due to experience adjustments	1.81	(1.08)
Benefits paid	(0.97)	(0.34)
Present value of benefit obligation at the end of the year	36.24	24.51

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

Particulars	Gratuity (Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year, at fair value	-	-
Interest Income	-	-
Return on plant assets excluding interest income	-	-
Contributions from the employer	24.50	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	24.50	-

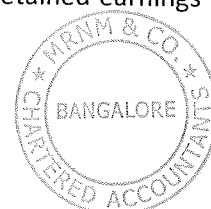
c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

Particulars	Gratuity (Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year	36.24	24.51
Fair value of plan assets at the end of the year	24.50	-
Net liability arising from defined benefit obligation	11.74	24.51*

***Note:** In financial year 2022-23, Rs. 24.51 million have been accounted in opening retained earnings of the Company as at April 1, 2022 being expenses pertaining to previous period.



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GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- d) Amount recognised in the Statement of Profit and Loss / Retained earnings in respect of the defined benefits plans are as follows:

Particulars	(Rs. In Million)	
	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	1.89	1.98
Net Interest expense	1.68	1.48
Components of defined benefit costs recognised in the Statement of Profit and Loss	3.57	-
Past Service Cost*	8.21	-
Components of defined benefit costs recognised in the Opening retained earnings	8.21	3.46
Sub-total	11.78	3.46
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	0.92	(1.95)
Return on plant assets, excluding interest income	-	-
Components of defined benefit costs recognised in Other Comprehensive Income	0.92	-
Components of defined benefit costs recognised in the Opening retained earnings	-	(1.95)
Total	12.70	1.51

*Note: In financial year 2022-23, Rs. 8.21 million Past service cost above have been accounted in opening retained earnings of the company being expenses pertaining to previous period.

- e) Investment details of plan assets:

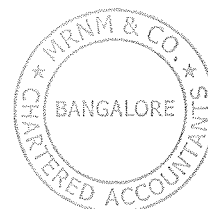
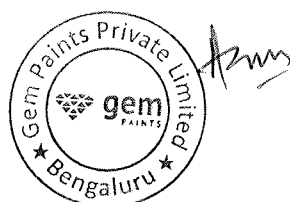
To fund the obligations under the gratuity plan, Contributions are made to Insurance service providers, who invests the funds as per (Insurance Regulatory and Development Authority) IRDA guidelines.

- f) The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

Particulars	(Rs. In Million)	
	As at March 31, 2023	As at March 31, 2022
1st Following Year	10.49	3.03
2nd Following Year	2.83	2.43
3rd Following Year	4.45	2.42
4th Following Year	2.10	3.32
5th Following Year	2.72	1.57
Sum of Years 6 To 10	14.08	11.28
Thereafter	20.76	17.43

- 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 has 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.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Delta effect of +1% change in the rate of Discounting	(1.61)	(1.40)
Delta effect of -1% change in the rate of Discounting	1.81	1.59
Delta effect of +1% change in the rate of salary Increase	1.68	1.57
Delta effect of -1% change in the rate of salary increase	(1.53)	(1.42)
Delta effect of +1% change in the rate of employee turnover	0.09	(0.03)
Delta effect of -1% change in the rate of employee turnover	(0.11)	0.03

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. 6.26 Million (as at March 31, 2022: NA) to the defined benefit plans during the next financial year.

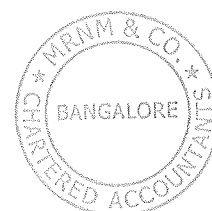
h) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.41%	6.90%
Expected return on plan assets	7.41%	-
Annual Increase in Salary Costs	8.00%	7.00%
Rate of Employee turnover	7.00%	8.00%
Mortality Tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Future Salary increases are based on long term average salary rise expected considering 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.

Leave encasement

In financial year 2022-23, Rs. 3.27 million have been accounted in opening retained earnings of the Company as at April 1, 2022 being expenses pertaining to previous period.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

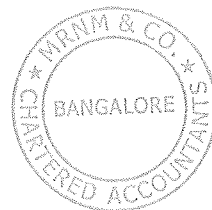
34. RELATED PARTY DISCLOSURES:

1.Name of the related parties and their relationships

Description of Relationship	Name of Related Parties
a. Parent Company	Astral Limited
b. Subsidiary Company	Esha Paints Private Limited Enterprise Software Technology Services Private Limited
c. Enterprises over which Key Managerial Personnel are able to exercise significant influence	Samwin Consolidations LLP Womenova Agro Food Park Private Limited Cyphysignals India Private Limited ASG Trust L-91 Second living ventures Nutrimense foods and supplements Private Limited Ayisra Tech Solutions LLP Hitin Property Development Indigene Foods and Beverages Private Limited Kairamya Journeys LLP
e. Key Managerial Personnel	Anand Sarup Gandotra (Managing Director) Ashwani Gandotra (Wholetime director) Sandeep Praveenchandra Engineer (Director w.e.f. 21.06.2022) Saumya Sandeep Engineer (Director w.e.f. 21.06.2022) Kairav Sandeep Engineer (Director w.e.f. 21.06.2022) Girish Bhanubhai Joshi (Director w.e.f. 21.06.2022) Viral Maheshbhai Jhaveri (Director w.e.f. 21.06.2022) Chikmagalur Kalashetty Gopal (Director w.e.f. 21.06.2022) Hiranand Asandas Savlani (CFO w.e.f. 21.06.2022) Krunal Devendrakumar Bhatt (Company secretary w.e.f. 21.06.2022 to 30.09.2022) Manan Bhavsar (Company Secretary w.e.f. 01.10.2022)
f. Relatives of Key Managerial Personnel	Nitin Gandotra (Director up to 20.06.2022) Pratibha Gandotra (Director up to 20.06.2022) Nalin Gandotra (Director up to 20.06.2022) Payal Suvrat Thatte (Director up to 20.06.2022)



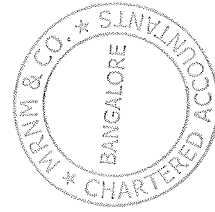
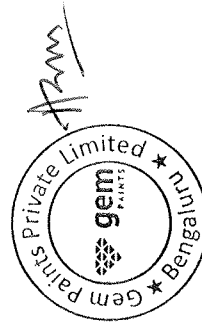
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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2023 (Rs. In Million)

Particulars	Holding Company		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Amount claimed for reimbursement of expenses/capital goods/capital services	15.90	-	-	-	-	-	-	-	15.90	-
Purchase of Intangible asset	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/Service	5.81	-	10.90	10.06	0.10	-	-	-	0.10	-
Remuneration	-	-	-	-	-	-	-	-	16.70	10.06
Loan given	-	-	-	-	29.26	58.64	18.54	-	47.80	58.64
Sale of Goods	0.24	-	10.00	-	-	-	-	-	10.00	-
Repayment of rent deposit	-	-	-	-	-	-	-	-	0.24	-
Interest income	-	-	0.05	-	-	-	-	-	0.05	-
Rent expenses	-	-	17.25	29.30	-	-	-	-	17.25	29.30
Equity Investment in subsidiary Company	-	-	-	-	-	1.56	-	-	-	1.56
Loan recoverable	-	-	-	-	-	-	-	-	0.10	-
Interest recoverable	-	-	230.50	220.50	-	-	-	-	230.50	220.50
Receivables	-	-	46.55	29.30	-	-	-	-	46.55	29.30
Payables	-	-	0.05	-	-	-	-	-	0.05	-
	-	-	0.01	-	1.21	-	1.39	-	2.60	-



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes :

i. Compensation of key management personnel:

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

(Rs. In Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short term Benefits	29.26	58.64

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

ii. Details of Loans and advances repayable on demand

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount (Rs. In Million)	% to total loans and Advances	Amount (Rs. In Million)	% to total loans and Advances
Related parties	Nil		Nil	

- iii. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- iv. The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owned by related parties.
- v. Transactions/balances during and end of the year/previous year are stated without considering impact of fair valuation carried out as per Ind AS.

35. LEASE:

Group as a lessee:

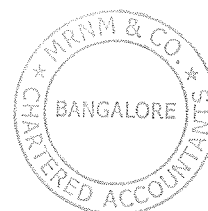
The Group's lease asset classes primarily consist of leases for Tangible assets. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in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

The carrying amounts of right-of-use assets along with their movement during the period is given in Note No. 3.

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

Group as a lessor

The Group has neither entered into any non-cancellable nor cancellable operating leases as a lessor.



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

36 Financial instruments

1 Capital management

The Group manages its capital to ensure that the Group 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 Group consists of net debt (borrowings as detailed in notes 16 off set by cash and bank balances) and total equity of the Group.

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

Gearing ratio

Particulars	(Rs. in Million)	
	As at	
	March 31, 2023	March 31, 2022
Debt (note i)	2,294.99	305.93
Less : Cash and cash equivalents	1,194.31	287.72
Net debt	1,100.68	18.21
Equity share capital	149.95	149.95
Other equity	2,884.64	2,151.70
Less : Revaluation reserve	-	-
Total equity excluding revaluation reserve	3,034.59	2,301.65
Net debt to equity ratio	0.36	0.01

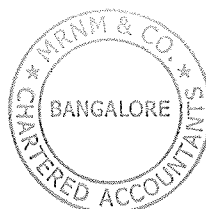
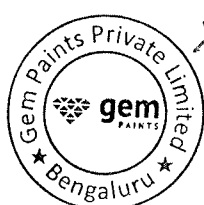
i Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts and contingent consideration), as described in notes 16.

2 Category-wise classification of financial instruments

Particulars	(Rs. in Million)	
	As at	
	March 31, 2023	March 31, 2022
Financial assets		
Measured at amortised cost		
a Investments (Note 4)	638.96	0.00
b Cash and cash equivalents and other bank balances (Note 10,11)	2,347.51	304.19
c Financial assets (Note 5,6 & 10)	1,043.79	854.81
d Investment in others (Note 4)	63.57	268.64
Measured at fair value through Profit and loss		
a Investment in others (Note 4)	51.01	-
Total	4,144.85	1,427.64
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 16)	2,294.99	305.93
b Financial liabilities (Note 18,19)	197.30	289.04
Total	2,492.29	594.97

The above excludes investments in subsidiaries and associates.

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



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Million)				
Financial assets/Financial liabilities	Fair value	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2023				
Measured at amortised cost				
a Investment in others (Note 4)	638.96		-	638.96
Financial assets measured at fair value through				
a Investment in mutual fund (Note 4)	114.59	114.59	-	114.59
As at March 31, 2022				
a Investment in others (Note 4)	0.00		-	0.00
Financial assets measured at fair value through				
a Investment in mutual fund (Note 4)	268.64	268.64	-	268.64

There have been no transfers amount in Level 1, Level 2 and Level 3 during the years ended March 31, 2023 and March 31, 2022.

3 Financial risk management objectives

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

The Group'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 Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework who are responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group. 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 Group'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

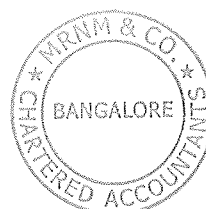
i Currency risk

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

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



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GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(In Million)	
	As at	
	March 31, 2023	March 31, 2022
Liabilities (Foreign currency)		
In US Dollars (USD)	0.08	0.10
Assets (Foreign currency)		
In US Dollars (USD)	0.29	-

Particulars	(Rs. in Million)	
	As at	
	March 31, 2023	March 31, 2022
Liabilities (INR)		
In US Dollars (USD)	6.86	7.21
Assets (INR)		
In US Dollars (USD)	23.44	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD.

The following table details, Group'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 Group 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.

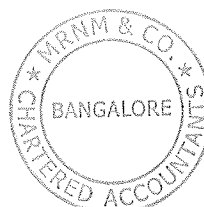
Impact on profit or loss and total equity

Particulars	(Rs. in Million)	
	As at March 31, 2023	As at March 31, 2022
Increase in exchange rate by 5%	0.83	(0.36)
Decrease in exchange rate by 5%	(0.83)	0.36

The Group, 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligation with floating interest rates.



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Million)		
Particulars	Increase/ decrease in basis points	Effect on profit before tax
As at March 31, 2023	100 bps	22.95
As at March 31, 2022	100 bps	3.06

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 Group. The Group uses its own trading records to evaluate the credit worthiness of its customers. The Group's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 10 - Trade receivable).

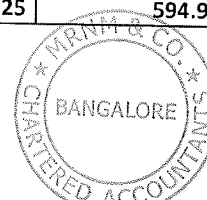
C MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group'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 Group'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 Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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 Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(Rs. in Million)				
Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2023				
Non-derivative financial liabilities				
Borrowings (Note 16)	2,294.99	2,106.71	188.28	2,294.99
Financial Liabilities (Note 18 & 19)	197.30	197.30	-	197.30
Total	2,492.29	2,304.01	188.28	2,492.29
As at March 31, 2022				
Non-derivative financial liabilities				
Borrowings (Note 16)	305.93	93.68	212.25	305.93
Financial Liabilities (Note 18 & 19)	289.04	289.04	-	289.04
Total	594.97	382.72	212.25	594.97



GEM PAINTS PRIVATE LIMITED

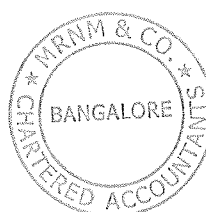
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

37 SEGMENT REPORTING

The Group has presented segment information in the Consolidated Financial Statement of ultimate parent Company. Accordingly, in terms of paragraph 4 of Ind AS 108 – Operating Segments, no disclosure related to segments are presented in this standalone financial statement. However for detailed understanding purpose we have presented herewith statement of profit and loss for the year ended March 31, 2023 and balance sheet of two divisions of the Company as at March 31, 2023 as under:

Divisional Balance sheet as at March 31, 2023

(Rs. In Millions)			
Particulars	Non-core Business as at March 31, 2023	Core Business as at March 31, 2023	Total
ASSETS			
Non-current assets			
(a) Property, plant and equipment	85.93	504.21	590.14
(b) Goodwill	0.02	-	0.02
(c) Intangible assets	-	5.01	5.01
(d) Right of use assets	-	68.54	68.54
(e) Financial assets			
(i) Investments	1,069.26	-	1,069.26
(ii) Loans	218.50	-	218.50
(iii) Other financial assets	124.81	4.45	129.27
(f) Deferred tax assets (Net)	-	40.96	40.96
(g) Other non-current assets	-	4.74	4.74
Total non-current assets	1,498.52	627.92	2,126.43
Current assets			
(a) Inventories	-	352.14	352.14
(b) Financial assets			
(i) Investments	51.01	-	51.01
(ii) Trade receivables	-	479.13	479.13
(iii) Cash and cash equivalents	-	1,194.31	1,194.31
(iv) Other balances with banks	130.00	1,023.19	1,153.19
(v) Loans	152.70	0.65	153.35
(vi) Other financial assets	40.74	22.81	63.55
(c) Other current assets	-	5.64	5.64
Total current assets	374.45	3,077.87	3,452.32
Total assets	1,872.97	3,705.79	5,578.76
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	-	149.95	149.95
(b) Other equity	1,832.89	1,051.75	2,884.64
Total equity	1,832.89	1,201.70	3,034.59
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	-	188.28	188.28
(b) Provisions	3.33	2.15	5.48
Total non-current liabilities	3.33	190.43	193.76



GEM PAINTS PRIVATE LIMITED

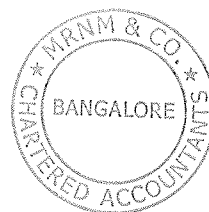
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Non-core Business as at March 31, 2023	Core Business as at March 31, 2023	Total
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	124.06	1,982.65	2,106.71
(ii) Trade payables			
a total outstanding dues of micro enterprises and small enterprises	-	53.93	53.93
b total outstanding dues of creditors other than micro enterprises and small enterprises	0.04	104.86	104.90
(iii) Other financial liabilities			
(b) Other current liabilities	(78.26)	116.73	38.47
(c) Provisions	(0.06)	26.67	26.62
(d) Current tax liabilities (Net)	-	9.34	9.34
	(9.03)	19.47	10.44
Total current liabilities	36.75	2,313.66	2,350.41
Total liabilities	40.08	2,504.08	2,544.16
Total equity and liabilities	1,872.97	3,705.79	5,578.76

Divisional Statement of Profit and loss for the year ended March 31, 2023

(Rs. In Millions)

Particulars	Non-core Business for period ended March 31, 2023	Core Business for period ended March 31, 2023	Period ended March 31, 2023
Income			
Revenue from operations	-	2,157.61	2,157.61
Other income	203.02	9.09	212.11
Total	203.02	2,166.70	2,369.72
Expenses			
Cost of materials consumed	-	1,394.97	1,394.97
Changes in inventories of finished goods	-	101.85	101.85
Employee benefits expense	15.13	180.21	195.34
Finance costs	5.44	20.73	26.17
Depreciation and amortization expense	1.39	29.73	31.12
Other expenses	36.35	194.11	230.46
Total	58.30	1,921.60	1,979.90
Profit before tax before share of profit / (loss) of associates and tax	144.72	245.10	389.82
Share of profit of associates	-0.03	-	-0.03
Profit before tax	144.70	245.10	389.80
Tax expense			
Current tax	19.14	88.67	107.81
Deferred tax	-	(38.80)	(38.80)
Total tax expense	19.14	49.87	69.01
Profit for the year	125.56	195.23	320.79
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity Instruments through OCI	392.42	-	392.42
Remeasurements gain/(loss) on defined benefit plans	-	(0.92)	-0.92
Items that may be reclassified to profit or loss			
Currency Translation (Loss)/Gain	56.63	-	56.63
Total other comprehensive income	449.05	(0.92)	448.14
Total comprehensive income for the year	574.61	194.31	768.92



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

38 FIRST-TIME IND-AS ADOPTION RECONCILIATION:

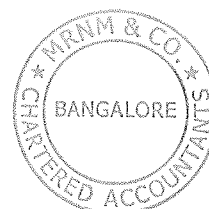
Transition to Ind As – Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- 1 There is no material change in the Consolidated Balance sheet as at April 1, 2021 (Transition Date) and March 31, 2022 hence reconciliation is not presented separately.
- 2 Reconciliation of Consolidated Comprehensive Income for the year ended March 31, 2022

(Rs. In Million)				
Particulars	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Income				
Revenue from operations	6(a)	2,159.85	(151.82)	2,008.03
Other income	6(b)	134.64	(3.78)	130.86
Total		2,294.49	(155.60)	2,138.89
Expenses				
Cost of materials consumed	6(c)	1,409.32	(58.64)	1,350.68
Changes in inventories of finished goods		-30.22	-	-30.22
Employee benefits expense	6(c)	168.34	23.27	191.61
Finance costs		13.21	-	13.21
Depreciation and amortization expense		37.15	-	37.15
Other expenses	6(a),(b),(c)	310.99	(120.23)	190.75
Total		1,908.78	(155.60)	1,753.18
Profit before tax before share of profit / (loss) of associates and tax		385.71	-	385.71
Add : Share in net profit / (loss) of associates		-0.51	-	-0.51
Profit before tax		385.20	-	385.20
Tax expense				
Current tax		94.74	-	94.74
Deferred tax		-4.41	-	-4.41
Total tax expense		90.33	-	90.33
Profit for the year		295.38	-	295.39
Other comprehensive income				
Items that will not be reclassified to profit or loss		-	-	-
Income Tax relating to items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the year		295.38	-	295.39

- 3 There is no material change in Consolidated Equity as at April 1, 2021 and as at March 31, 2022 hence reconciliation is not presented separately.
- 4 There is no material change in Consolidated Profit for the year ended March 31, 2022 hence reconciliation is not presented separately.
- 5 Adjustments to Consolidated Statement of Cash flow :
The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2022 as compared with the previous GAAP.



GEM PAINTS PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

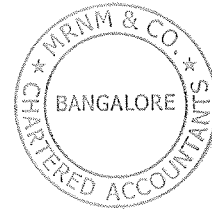
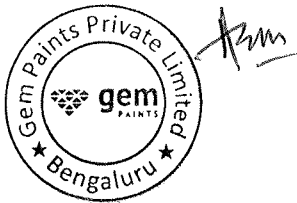
6 Notes on reconciliation

- a Under previous GAAP, various schemes, discounts and incentives given to customers were included in 'Other expenses' expenses. Under Ind AS, the Company will recognise revenue at the fair value of consideration received or receivable. Hence, expenses of Rs. 98.76 million is considered as reductions in selling price and reduced from the net revenue from operations.

Under previous GAAP, freight, forwarding, coolie and delivery expenses etc, were included in 'Other expenses' expenses. Under Ind AS, the Company will recognise revenue at the fair value of consideration received or receivable. Hence, expenses of Rs. 53.06 million is considered as reductions in selling price and reduced from the net revenue from operations.

- b Under previous GAAP, management fees and ancillary charges incurred for making the investment were included in 'Other expenses' expenses. Under Ind AS, the Company has received the same from Income earned from those investment under 'Other Income'. Hence, expenses of Rs. 3.78 million is considered as reductions in other income and reduced from 'Other Income'.

- c Under previous GAAP, direct expenses such as wages, contract labour expenses, power expenses, factory expenses incl. processing charges, consumables, freight inward and fuel and gas were included in 'Cost of material consumed'. Under Ind AS and as per Schedule III guidance note on Companies Act - same has been regrouped to respective expenses i.e. Rs. 23.27 million regrouped to 'Employee Benefit Expenses' and Rs. 35.37 million regrouped to 'Other Expenses'.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

39. TRANSACTIONS WITH STRUCK OFF COMPANIES

There are no transactions with struck off companies during the year ended March 31, 2023 and March 31, 2022.

40. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, no funds have been received by the Group from any parties (Funding Parties) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41. BUSINESS COMBINATION:

The Holding Company, Astral Limited has entered into definitive agreements with Gem Paints Private Limited (hereafter known as Gem Paints) and its shareholders to acquire 51% controlling stake in its Operating Paint Business w.e.f. April 1, 2022. Presently, the Holding Company has subscribed to optionally convertible debentures, allowing the Holding Company to appoint majority of the directors on board of Gem Paints Private Limited for a consideration of Rs. 1,940 million. Basis the above, Gem Paints has become subsidiary of the Holding Company.

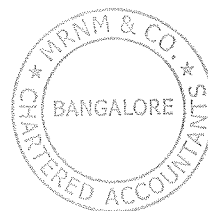
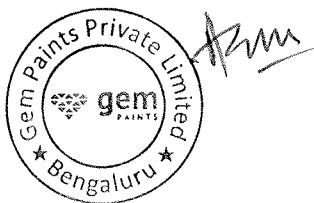
Under the definitive agreements, the operating paint business of Gem Paints is proposed to be demerged to a subsidiary of Gem Paints, wherein the Holding Company will acquire 51% controlling stake. Presently, the scheme of arrangement for demerger is under process for regulatory approvals.

42. EVENTS AFTER THE REPORTING PERIOD:

No significant events are reportable.

43. ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19:

The Group has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Group will continue to monitor any material changes to future economic conditions.



GEM PAINTS PRIVATE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023


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

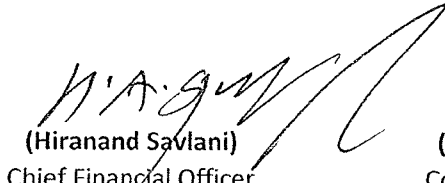
See accompanying notes to the consolidated financial statements
As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited
CIN: U24220KA1980PTC003715




(Anand Sarup Gandotra)
Managing Director
DIN : 00049342

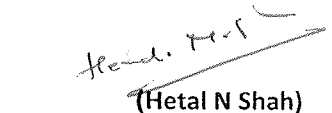

(Ashwani Gandotra)
Director
DIN:00049386

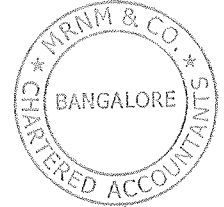

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary

Place : Bengaluru
Date : May 12, 2023

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 0130725


(Hetal N Shah)
Partner
Membership No : 223229



Place : Bengaluru
Date : May 12, 2023

ESHA PAINTS PRIVATE LIMITED

Financial Statements

FY 2022-23

ESHA PAINTS PRIVATE LIMITED**CIN: U24222KA2022PTC160270**

Regd Office: # 417/418, 11th Cross, 4Th Phase, Peenya Industrial Area ,
Bengaluru, Karnataka - 560 058, INDIA

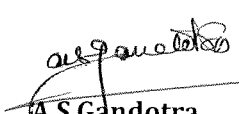
Balance Sheet as at March 31, 2023


(Amount in ₹ thousands, unless otherwise stated)

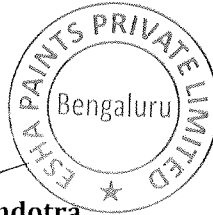
Particulars	Note No	As at March 31, 2023
I ASSETS		
Current Assets		
(a) Financial Assets		
(i) Cash and Cash Equivalents	3	100
Total Current Assets		100
Total Assets		100
II EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4	100
(b) Other Equity		-
Total Equity		100
Total Equity and Liabilities		100

See accompanying notes to the financial statements
As per report of even date.

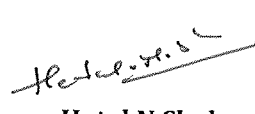
**For and on behalf of the Board of Directors of
Esha Paints Private Limited**
CIN: U24222KA2022PTC160270


A S Gandotra
Director
DIN:00049342


Ashwani Gandotra
Director
DIN:00049386

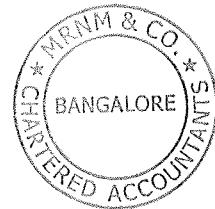


For MRNM & CO
Chartered Accountants
ICAI Firm Registration No : 013072S


Hetal N Shah
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



ESHA PAINTS PRIVATE LIMITED

CIN: U24222KA2022PTC160270

Regd Office: # 417/418, 11th Cross, 4Th Phase, Peenya Industrial Area , Bengaluru, Karnataka - 560 058, INDIA

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**a Equity share capital (Note 14)**

(Rs. In Thousands)

Particulars	Amount
Balance as at April 20, 2022	100.00
Add: movement during the period	-
Balance as at March 31, 2023	100.00

b Other Equity (Note 15)

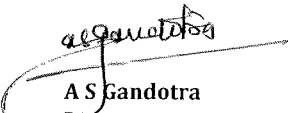
(Rs. In Thousands)

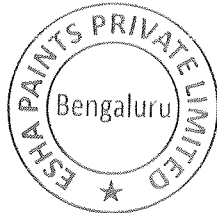
Particulars	Other equity			Total other equity
	Debenture Redemption Reserve	General reserve	Retained earnings	
Balance as at April 20, 2022	-	-	-	-
Add: Profit For the Period			-	-
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax			-	-
Total comprehensive income for the year	-	-	-	-
Balance as at March 31, 2023	-	-	-	-


See accompanying notes to the financial statements
As per report of even date.

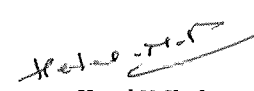
For and on behalf of the Board of Directors of
Esha Paints Private Limited
CIN: U24222KA2022PTC160270

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 013072S


A S Gandotra
Director
DIN:00049342

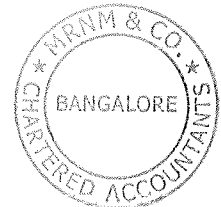



Ashwani Gandotra
Director
DIN:00049386


Hetal N Shah
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



ESHA PAINTS PRIVATE LIMITED

CIN: U24222KA2022PTC160270

Regd Office: # 417/418, 11th Cross, 4Th Phase, Peenya Industrial Area , Bengaluru, Karnataka - 560 058, INDIA

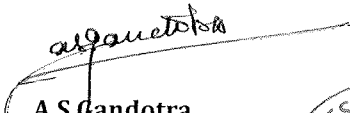
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

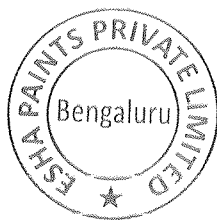
		(Rs. In Thousands)
Sr No.	Particulars	Period ended March 31, 2023
A	Cash flows from Operating Activities	
	Profit before tax	-
	Net cash generated from Operating Activities [A]	-
B	Cash flows from investing activities	
	Net Cash flow generated/(used) in Investing Activities [B]	-
C	Cash flow from Financing Activities	
	Share capital issued	100
	Net Cash flow used in Financing Activities [C]	100
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	100
	Cash and cash equivalents at the beginning of the period	-
	Cash and Cash Equivalents at the end of the year (Note 3)	100


See accompanying notes to the financial statements
As per report of even date.


For and on behalf of the Board of Directors of
Esha Paints Private Limited
CIN: U24222KA2022PTC160270

For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 013072S


A S Gandotra
Director
DIN:00049342

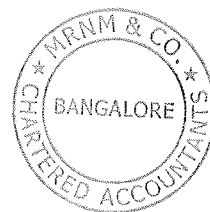



Ashwani Gandotra
Director
DIN:00049386


Hetal N Shah
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



ESHA PAINTS PRIVATE LIMITED**CIN: U24222KA2022PTC160270**Regd Office: # 417/418, 11th Cross, 4Th Phase, Peenya Industrial Area,
Bengaluru, Karnataka - 560 058, INDIA**Statement of Profit and Loss for the period ended March 31, 2023**

(Amount in ₹ thousands, unless otherwise stated)

Particulars	Notes	For the period April 20, 2022 to March 31, 2023
INCOME		
Revenue from Operations		-
TOTAL INCOME		-
EXPENSES		
Other Expenses		-
TOTAL EXPENSES		-
Profit Before Tax		-
Tax Expense		
Current Tax		-
Deferred Tax		-
Profit for the period		-
Other Comprehensive Income		
Items that will not be reclassified to profit or loss in subsequent periods		-
Total Other Comprehensive Income/ (Loss) , Net of Tax		-
Total Comprehensive Income for the period		-
Earnings Per Equity Share		
(1) Basic		-
(2) Diluted		-

See accompanying notes to the financial statements


As per report of even date.

**For and on behalf of the Board of Directors of
Esha Paints Private Limited**

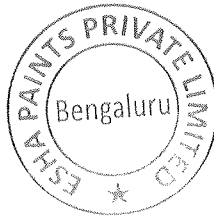
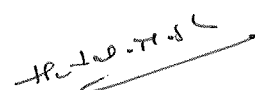
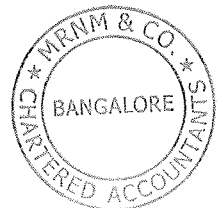
CIN: U24222KA2022PTC160270


A S Gandotra
Director

DIN:00049342


Ashwani Gandotra
Director

DIN:00049386

**For M R N M & CO**
Chartered Accountants
ICAI Firm Registration No : 013072S
Hetal N Shah
Partner
Membership No : 223229Place : Bengaluru
Date : May 12, 2023Place : Bengaluru
Date : May 12, 2023

ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

NOTE 3 : CASH AND CASH EQUIVALANTS

(Amount in ₹ thousands, unless otherwise stated)

Sr. No	Particulars	As at March 31, 2023
(a)	Balances with banks	
	In Bank Accounts	100
	TOTAL	100

NOTE 4: EQUITY SHARE CAPITAL

(Amount in ₹ thousands, unless otherwise stated)

Sr. No	Particulars	As at March 31, 2023	
		Number of Shares	Amount
(a)	AUTHORIZED SHARE CAPITAL 38,00,00,000 Equity shares of Rs. 10 each	38,00,00,000	38,00,000
(b)	ISSUED SHARE CAPITAL 10,000 Equity Shares of Rs. 10 each	10,000	100
(c)	SUBSCRIBED & FULLY PAID UP SHARE CAPITAL 10,000 Equity Shares of Rs. 10 each	10,000	100
	TOTAL	10,000	100

NOTES:

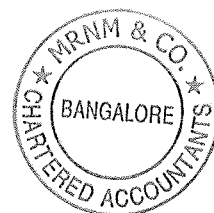
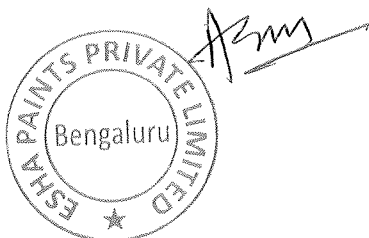
(a.1) Reconciliation of the number of equity shares and amount outstanding at the end of the reporting period:

(Amount in ₹ thousands, unless otherwise stated)

Equity Shares	Opening Balance	Fresh Issue	Bonus	Closing Balance
As at March 31, 2023				
- Number of Shares	-	10,000	-	10,000
- Amount (Rs in thousands)	-	100	-	100
Class of shares / Name of shareholder			As at March 31, 2023	
			No of Shares	% of Holding
Equity shares with voting rights :				
Gem Paints Private Limited (including its nominees)			10,000	100.00%
			10,000	100.00%

Shareholding of Promoters at the end of the year

Class of shares / Name of shareholder	As at March 31, 2023		
	No of Shares	% of Holding	% change during the period
Equity shares with voting rights :			
Gem Paints Private Limited (including its nominees)	10,000	100.00%	NA



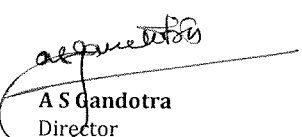
ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023


NOTE 5: OTHER NOTES

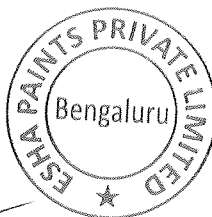
- a There are no transactions with struck of companies during the year ended March 31, 2023.
- b No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, no funds have been received by the Company from any parties (Funding Parties) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c The Company has not commenced its operations during the year and raised only capital during the period ended March 31, 2023.

See accompanying notes to the financial statements
As per report of even date.


For and on behalf of the Board of Directors of
Esha Paints Private Limited
CIN: U24222KA2022PTC160270


A S Gandotra
Director
DIN:00049342


Ashwani Gandotra
Director
DIN:00049386

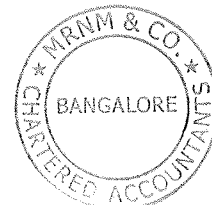


For **MRNM & CO**
Chartered Accountants
ICAI Firm Registration No : 013072S


Hetal N Shah
Partner
Membership No : 223229

Place : Bengaluru
Date : May 12, 2023

Place : Bengaluru
Date : May 12, 2023



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

1. COMPANY OVERVIEW

Esha Paints Private Limited ('the Company') was incorporated on 20th April 2022 under the Companies act 2013. The registered office of the Company is located at No 417/418, 11th cross, 4th Phase Peenya Industrial Area, Bengaluru Karnataka -560 058. The Company is wholly owned subsidiary of Gem Paints Private Limited.

The financial statements were approved for issue by the resolution of board of directors on May 12, 2023.

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 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). All accounting policies are consistently applied;

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to in Million, except where otherwise indicated.

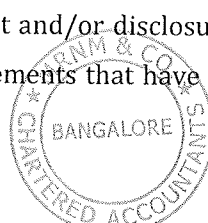
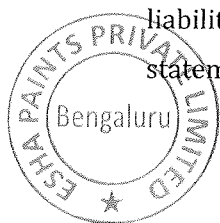
Fair value:

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

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

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

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics 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 measurements that have some similarities to fair value



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

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

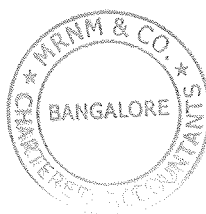
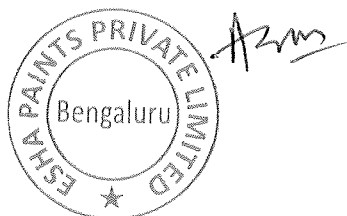
The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions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

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

c) Inventories

Inventories are stated at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing the inventories to their present location and condition. Raw materials and Packing materials are valued on weighted average costs. 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.



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

d) Cash and cash equivalents

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

e) Revenue from contract with customer

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

Sale of goods

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

Variable consideration

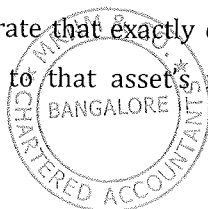
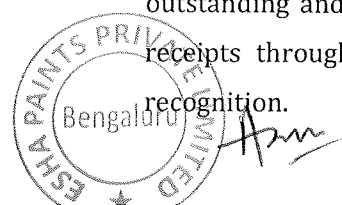
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable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

Trade receivables (Contract balances)

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

Interest Income

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



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

Insurance claims

Insurance claims are accounted to the extent that there is no uncertainty in receiving the claims.

f) Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

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

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

Depreciation

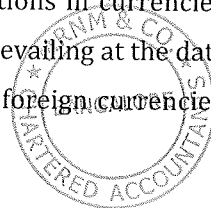
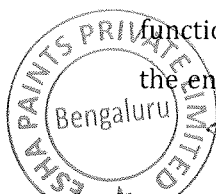
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment other than land and properties under construction are charged based on straight line method on an estimated useful life as prescribed 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 period is provided on pro-rata basis with reference to the date of addition / disposal.

g) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

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.

h) 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.

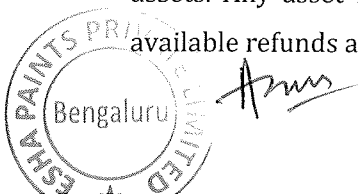
Defined benefit plans:

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

- 1) Service costs comprising past and 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.



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

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 period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

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

i) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with arrangement of borrowings.

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 on 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.

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

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



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
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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 utilised. 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.

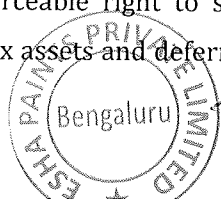
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 period:

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

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the company.



ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2023

k) Provisions, Contingent Liabilities and 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 is not probable.

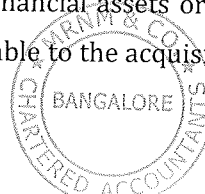
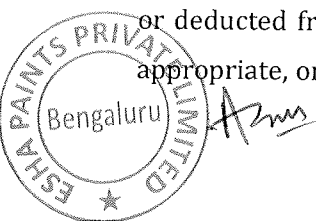
l) Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Investments in joint venture are accounted for using the equity method. Under the equity method the investment in joint venture is initially recognised at cost. The carrying amount of investment is adjusted to recognise changes.

m) 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



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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.

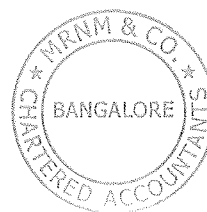
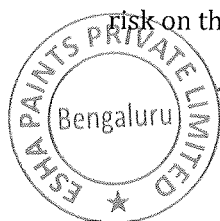
Offsetting of financial instruments

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.

n) 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 recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



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PERIOD ENDED MARCH 31, 2023

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.

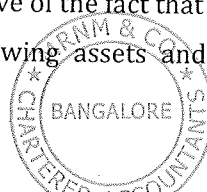
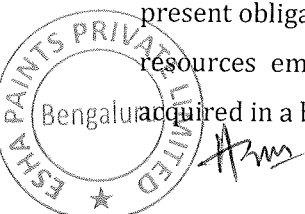
If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

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 periods. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

o) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. . However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:



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- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

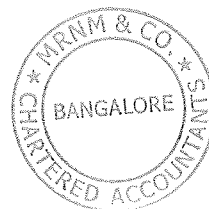
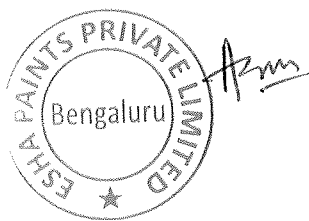
If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods unless (a) the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur; and (b) subsequent external events have occurred that reverse the effect of that event.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one period from the acquisition date.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
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p) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

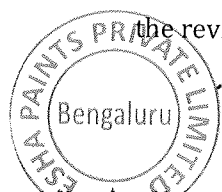
All other liabilities are classified as non-current.

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

The Company has identified twelve months as its operating cycle.

q) 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 periods 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.



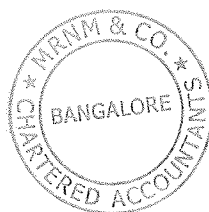
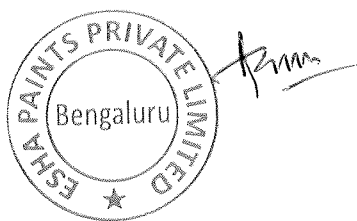
ESHA PAINTS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
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Key sources of estimation uncertainty

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 period.

i. Provisions and Contingent Liabilities

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



ASTRAL FOUNDATION

Financial Statements

FY 2022-23

ASTRAL FOUNDATION

ANNUAL ACCOUNTS

2022-2023

G. K. Choksi & Co.

Chartered Accountants

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Opp. Jayantilal Park BRTS, Off. Ambli BRTS Road, Ahmedabad 380 054.
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INDEPENDENT AUDITOR'S REPORT

To
The Members,
ASTRAL FOUNDATION

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ASTRAL FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Income and Expenditure (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its deficit, 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 standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other Information

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

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

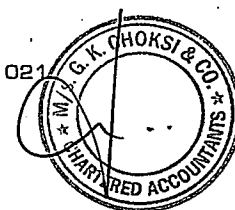
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

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



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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

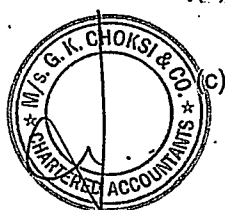
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

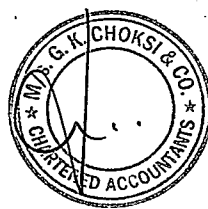
Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, is not applicable to the Company, as it is licensed to operate under Section 8 of the Act.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

The Balance Sheet, the Statement of Income and Expenditure, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.
- (e) On the basis of written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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 which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company is not required to declare or pay any dividend.



- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from financial year commencing from 1 April 2023, hence, the reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

FOR G. K. CHOKSI & CO..

[Firm Registration No. 101895W]
Chartered Accountants

V. S. Choksi
VARTIK R. CHOKSI
Partner

Mem. No. 116743

UDIN : 23116743 BGVXIJ2806

Place : Ahmedabad
Date : 26th May, 2023



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lacs)

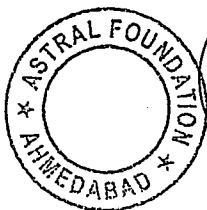
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	18.51	21.40
(b) Other Intangible assets	3(B)	0.74	0.94
Total non-current assets		19.25	22.34
Current assets			
(a) Financial assets			
(i) Cash and Cash equivalents	4	3.07	1.93
(b) Current tax assets (net)	5	-	0.12
(c) Other current assets	6	17.51	0.50
Total current assets		20.58	2.55
Total assets		39.83	24.89
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	1.00	1.00
(b) Other equity	8	36.56	22.49
Total equity		37.56	23.49
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	9		
a total outstanding dues of micro enterprises and small enterprises		-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises		0.67	0.30
(ii) Other financial liabilities	10	0.19	0.19
(b) Other current liabilities	11	1.41	0.91
Total current liabilities		2.27	1.40
Total liabilities		2.27	1.40
Total equity and liabilities		39.83	24.89

See accompanying notes to the financial statements

As per report of even date

For **G. K. Choksi & Co.**
Firm Registration No : 101895W
Chartered Accountants

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 26-05-2023



For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep R. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 26-05-2023

Jagru S. Engineer
Director
DIN : 00067276

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED ON MARCH 31, 2023

(₹ in Lacs)

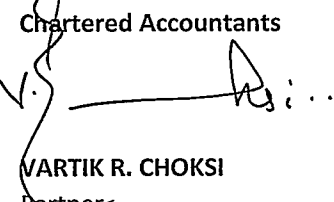
Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations			
Grant received		911.97	630.39
Other income	12	0.64	0.50
Total		912.61	630.89
EXPENDITURE			
Activities against grant receipt	13(A)	894.95	634.68
Depreciation and amortisation expenses	3	3.09	2.95
Other expenses	13(B)	0.50	0.47
Total		898.54	638.10
Surplus/(Deficit) during the year		14.07	(7.21)

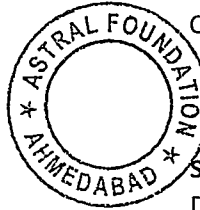
See accompanying notes to the financial statements

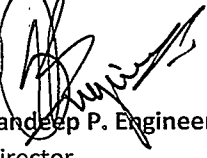
As per report of even date

For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779


VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 26-05-2023




Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 26-05-2023


Jagruti S. Engineer
Director
DIN : 00067276



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

Sr No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	Cash flows from operating activities		
	Surplus/(Deficit)	14.07	(7.21)
	Adjustments for :		
	Depreciation expense	3.09	2.95
	Interest income	(0.64)	(0.50)
	Operating profit before Working Capital Changes	16.52	(4.76)
	Changes in working capital :		
	Other current assets	(17.01)	3.46
	Trade and other payables	0.87	(6.79)
	Cash generated from operations	0.38	(8.09)
	Income taxes (Paid) /Refund	0.12	-
	Net cash generated from Operating Activities [A]	0.50	(8.09)
B	Cash flows from investing activities		
	Purchase of Property, Plant and Equipment	-	1.00
	Interest received	0.64	0.50
	Net Cash flow used in Investing Activities [B]	0.64	1.50
C	Cash flow from Financing Activities		
	Net Cash flow used in Financing Activities [C]	-	-
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	1.14	(6.59)
	Cash and cash equivalents at the beginning of the year	1.93	10.52
	Cash and Cash Equivalents at the end of the year (Note 4)	3.07	1.93

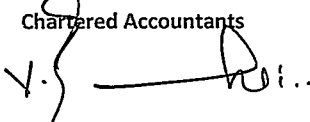
Notes :

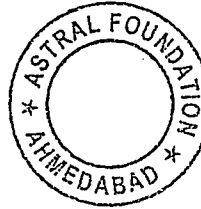
- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the surplus / (deficit) for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

See accompanying notes to the financial statements

As per report of even date


For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants


VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 26-05-2023



For and on behalf of the Board of Directors of
Astral Foundation

CIN : U85300GJ2020NPL112779


Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 26-05-2023


Jagruti S. Engineer
Director
DIN : 00067276

ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a Equity share capital (Note 7)

(₹ in Lacs)

Particulars	Amount
Balance as at April 1, 2021	1.00
Add: Issue of equity share capital	
Balance as at March 31, 2022	1.00
Add: Issue of equity share capital	-
Balance as at March 31, 2023	1.00

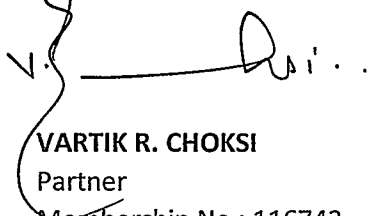
b Other Equity (Note 8)

(₹ in Lacs)

Particulars	Amount
	Retained earnings
Balance as at April 1, 2021	29.70
Surplus/(Deficit) during the year	(7.21)
Balance as at March 31, 2022	22.49
Surplus/(Deficit) during the year	14.07
Balance as at March 31, 2023	36.56

See accompanying notes to the financial statements
As per report of even date

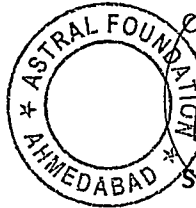
For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants



VARTIK R. CHOKSI
Partner

Membership No : 116743
Place : Ahmedabad
Date : 26-05-2023

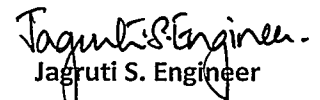
For and on behalf of the Board of Directors of
Astral Foundation

CIN : U85300GJ2020NPL112779




Sandeep P. Engineer
Director

DIN : 00067112
Place : Ahmedabad
Date : 26-05-2023


Jagruti S. Engineer
Director
DIN : 00067276



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 COMPANY INFORMATION

Astral Foundation ("the company") has been incorporated under Section 8 of the Companies Act, 2013 limited by shares. The company undertakes activities which directly or indirectly have positive impact on improvement of the quality of life of people, through initiatives of social, economic, educational, environmental, health and cultural advancement as prescribed by the Central/State and Local Governments as Corporate Social Responsibility (CSR).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation of Financial Statements

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

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest lacs.

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

b Use of Estimates

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

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

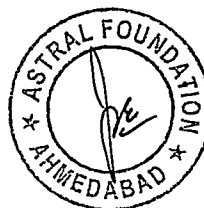
c Revenue Recognition

i Revenue from Donations and Grants

Revenue from Donations/grants are recognised upon compliance with significant conditions, if any, and where it is reasonable to expect ultimate collection. Amounts received with a specific direction from donors that such amounts shall form part of the corpus of the foundation are credited as Corpus fund in the Balance sheet.

ii Interest Income/Income from Investments

Interest Income is recognised on a time proportion basis taking in to account outstanding and effective interest rate applicable.



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

d Taxation

Provision for current tax has not been made in the books of accounts in view of the exemption of the income of the company under Section 11 read with Section 2(15) of the Income Tax Act, 1961.

e Provisions, Contingent Liabilities and Contingent Assets

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

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

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

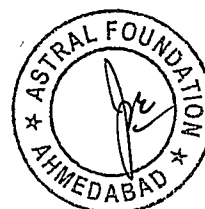
Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/outflow of economic benefits/ loss is not probable.

f Financial Instrument

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

g Financial asset

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



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

i Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial assets at fair value through Profit and Loss (Income and expenditure)

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

iii Impairment of Financial assets

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

h Financial liabilities

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

i Equity instruments

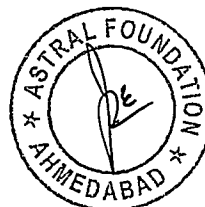
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

ii Offsetting of financial instruments

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

i Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

j Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

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

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

k Depreciation

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

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

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

l Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization 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.

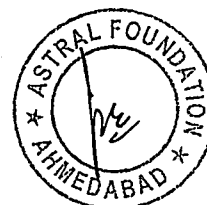
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised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

Useful lives of intangible assets

Intangible assets are Amortised over their estimated useful life on a straight-line basis over a period of 5 years.

m Earning per Share

Earnings per share is required to be computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. However, the company being non-profit organisation licensed to operate under Section 8 of the Companies Act, 2013, the object of the Company is not to earn profit and in the event of liquidation, the remaining assets of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of this Company, hence, Earning Per Share is not calculated.



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3 PROPERTY, PLANT AND EQUIPMENT & OTHER INTANGIBLE ASSETS

(₹ in Lacs)

Sr. No.	Assets	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION & AMORTISATION				NET CARRYING AMOUNT		
		As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the Year	Disposals	As at March 31, 2023	As at March 31, 2022	
A. TANGIBLE ASSETS											
1	Vehicles	24.32	-	-	24.32	2.92	2.89	-	5.81	18.51	21.40
	Total	24.32	-	-	24.32	2.92	2.89	-	5.81	18.51	21.40
		(24.32)	-	-	(24.32)	(0.03)	(2.89)	-	(2.92)	(21.40)	
B. INTANGIBLE ASSETS											
1	Web Portal	1.00	-	-	1.00	0.06	0.20	-	0.26	0.74	0.94
	Total	1.00	-	-	1.00	0.06	0.20	-	0.26	0.74	0.94
		-	(1.00)	-	(1.00)	-	(0.06)	-	(0.06)	(0.94)	

Note (i) Figures in the brackets are of Previous Year.



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4 CASH AND CASH EQUIVALENTS

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.14	0.15
Balances with Banks in saving accounts	2.93	1.78
Total	3.07	1.93

5 TAX ASSETS

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Current Taxes receivables	-	0.12
Total	-	0.12

6 OTHER ASSETS

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Current Other Receivables	16.15	-
Advance to Suppliers	1.36	0.50
Total	17.51	0.50

7 EQUITY SHARE CAPITAL

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital 150,000 (Previous Year: 150,000) Equity Shares of Rs.10/- each	15.00	15.00
Issued, Subscribed & Fully Paid Share Capital 10,000 (Previous year : 10,000) Equity Shares of Rs.10/- each fully paid up	1.00	1.00
Total	1.00	1.00

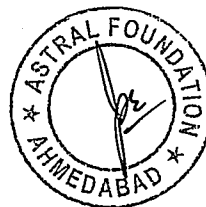
(a) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is eligible for one vote per share held. In the event of liquidation, the remaining assets of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of the Company, to be determined by the member of the Company.

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

Particulars	No. of Shares	Amount (₹ in lacs)
Balance as at April 1, 2021	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2022	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2023	10,000	1.00

... Continued..



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

7 EQUITY SHARE CAPITAL ... Continued..

- (c) Details of share held by each shareholder holding more than 5% shares and Shares held by Promoters and Promoter group companies :

Name of Shareholders	As at March 31, 2023	As at March 31, 2022
Astral Limited		
No. of Shares	10,000	7,500
% of Shares Held	100%	75%
% change during the year	25%	-
Resinova Chemie Limited		
No. of Shares	-	2,500
% of Shares Held	-	25%
% change during the year	-	-

- (d) 10,000 (as at March 31, 2022 : 7,500) equity shares of ₹ 10/- fully paid up are held by Parent Company - Astral Limited jointly with nominee.

- (e) Resinova Chemie Limited is merged with Astral Limited w.e.f. April 1, 2022 vide NCLT Order dated September 5, 2022

8 OTHER EQUITY

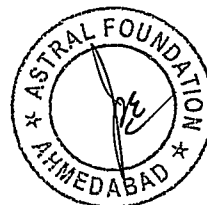
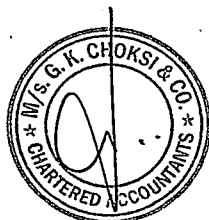
(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Balance at the beginning of the year	22.49	29.70
Add : Surplus/(Deficit) during the year	14.07	(7.21)
Balance at the end of the year	36.56	22.49
Total	36.56	22.49

9 TRADE PAYABLES

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Current		
a total outstanding dues of micro enterprises and small enterprises (Note 17)	-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises	0.67	0.30
Total	0.67	0.30

a. Trade Payables Ageing Schedule

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled	0.35	0.30
Current but not due	-	-
Outstanding for following periods from due date of payment		
Less than 1 years	0.32	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	0.67	0.30



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

10 OTHER FINANCIAL LIABILITIES

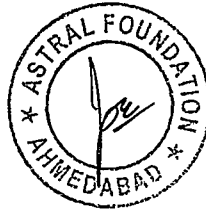
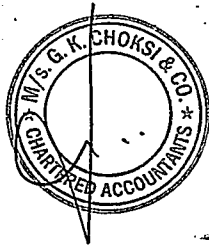
(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Salary payable	0.19	0.19
Total	0.19	0.19

11 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	1.41	0.91
Total	1.41	0.91



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

12 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income :		
From Banks	0.63	0.50
Income Tax Refund	0.01	-
Other interest Income*	0.00	-
Total	0.64	0.50

* Figures nullified in conversion of ₹ in Lakhs.

13(A) ACTIVITIES AGAINST GRANT RECEIPT

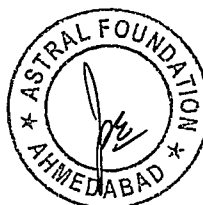
(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Activities against grant receipt	894.95	634.68
Total	894.95	634.68

Details of activities against grant receipt :

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. HEALTH		
i Mobile Medical Vans and ambulances	-	28.68
ii Health Infrastructure	131.81	35.29
iii Health Camps and awareness	112.44	60.60
Total	244.25	124.57
b. SKILL DEVELOPMENT		
i Skill Development Programs	-	3.36
ii Livelihood enhancement	5.75	0.95
iii Skill Development Infrastructure	11.27	-
Total	17.02	4.31
c. EDUCATION		
i Education Infrastructure	175.73	76.06
ii Educational Scholarship	69.38	64.14
Total	245.11	140.20
d. ENVIRONMENTAL PROJECTS		
i Wildlife conservation	154.45	144.42
ii Ecological Balance	113.07	66.99
Total	267.52	211.41
e. DISASTER RELIEF		
i COVID care	-	150.58
ii Flood relief	-	3.61
Total		154.19
f. OTHERS		
i Setting up home	74.89	-
ii Rural Development	3.53	-
iii Innovation and development	15.00	-
iv Others	27.63	-
Total	121.05	-
Total (a+b+c+d+e+f)	894.95	634.68



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

13(B) OTHER EXPENSES

(₹ in Lacs)

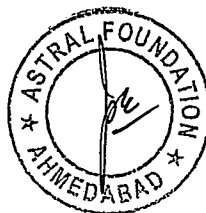
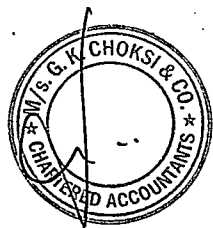
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bank charges *	0.00	0.00
Other expenses	0.10	0.12
Rates and taxes	0.05	-
Auditors Remuneration**	0.35	0.35
Total	0.50	0.47

* Figures nullified in conversion of ₹ in Lakhs.

** Auditors' Remuneration

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) For Statutory Audit	0.35	0.35



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

14 Related party Disclosures :

(a) List of related parties

Relationship

Holding Company

Astral Limited

Commonly Controlled Enterprise

Kairav chemical Limited
Resinova Chemie Limited
(Merged with Astral Limited w.e.f. April 1, 2021, vide NCLT
Order dated September 5, 2022)

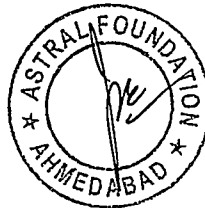
Key Management Personnel (KMP)

Mr. Sandeep Engineer
Mrs. Jagruti Engineer

(b) Summary of related party transactions

(₹ in Lacs)

Sr. No.	Particulars	Holding Company		Commonly Controlled	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Transactions during the year					
i	Grant Received				
	Astral Limited	894.64	590.94	-	-
	Kairav Chemicals Limited	-	-	7.33	-
	Resinova Chemie Limited	-	-	-	29.44
Balance at the end of year		Nil	Nil	Nil	Nil



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

15 Capital management

- (a) The Company's capital management objectives are to ensure Company's ability to continue as a going concern as well to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from grants received.

16 Fair value measurement

- (a) The carrying value and fair value of financial instruments by categories as follows :

(₹ in Lacs)

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through Profit and Loss (Statement of Income and expenditure)
As at March 31, 2023			
Financial assets			
Cash and cash equivalents (Note 4)	3.07	-	-
	3.07	-	-
As at March 31, 2022			
Financial assets			
Cash and cash equivalents (Note 4)	1.93	-	-
	1.93	-	-

(b) Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements i.e interest rate risk, market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

(a) Credit Risk

The company does not have any trade receivables at the end of the financial year.

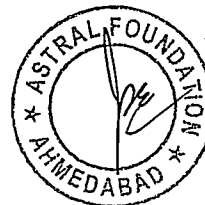
(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

(i) Maturities of financial liabilities

(₹ in Lacs)

Particulars	Less than 1 year	1-3 year	3-5 year	More than 5 years
As at March 31, 2023				
Non-derivatives				
Trade payable (Note 9)	0.67	-	-	-
Other financial liabilities (Note 10)	0.19	-	-	-
Total	0.86	-	-	-
As at March 31, 2022				
Non-derivatives				
Trade payable (Note 9)	0.30	-	-	-
Other financial liabilities (Note 10)	0.19	-	-	-
Total	0.49	-	-	-



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

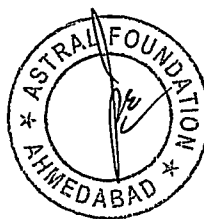
(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term borrowings with floating interest rate and carrying short term borrowings with floating interest rate. The company's investment in fixed deposit deposit carries fixed interest rate.

17 Due to Micro and Small Enterprises (Note 9)

(₹ in Lacs)			
Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	NIL	NIL

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



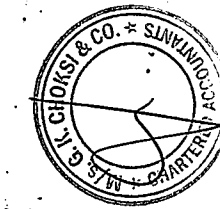
ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

18 Ratio Analysis

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change
Current Ratio *	Current Assets	Current Liabilities	9.07	1.82	399%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Not applicable	Not applicable	Not applicable
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	Not applicable	Not applicable	Not applicable
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	Not applicable	Not applicable	Not applicable
Inventory turnover ratio	Cost of goods sold	Average Inventory	Not applicable	Not applicable	Not applicable
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	Not applicable	Not applicable	Not applicable
Trade payables turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in Inventories	Average Trade Payables	Not applicable	Not applicable	Not applicable
Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	Not applicable	Not applicable	Not applicable
Net profit ratio	Profit for the year	Revenue from operations	Not applicable	Not applicable	Not applicable
Return on Equity Ratio	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	Refer Note below	Refer Note below	Not applicable
Return on Investment	Interest + Value appreciation	Cost of Investment	Refer Note below	Refer Note below	Not applicable

Note (i) The company is registered under section 8 of the Companies Act, 2013, and granted registration under Section 12AA and 80G of the Income Tax Act, 1961 hence it is prohibited to give any right over its profit to the members.

* During the current year there is an advance paid to suppliers which comprises larger amount in current assets as compare to previous year, hence it shows the major percentage change.



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

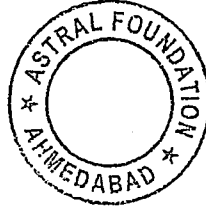
19 The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 26-05-2023



For and on behalf of the Board of Directors of Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 26-05-2023

Jagrup S. Engineer
Director
DIN : 00067276



ASTRAL PIPES LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS 31 DECEMBER 2022



B C PATEL & CO.
CERTIFIED PUBLIC ACCOUNTANTS

ASTRAL PIPES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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ASTRAL PIPES LIMITED

COMPANY INFORMATION

DIRECTORS

Mr. Sandip P. Engineer
Mr. Hiranand Savalani
Mr. Kartik S. Patel
Mr. Amit Kiritkumar Patel
Mr. Ronakkumar R. Parikh

SECRETARY

Commercial Registrars
Certified Public Secretaries (Kenya)
P. O. Box 49925 - 00100
Nairobi.

REGISTERED OFFICE

L. R. No. 209/14571
Masai Road, Industrial Area
P. O. Box 18141 - 00500
Nairobi.

INDEPENDENT AUDITORS

B. C. Patel & Co.
Certified Public Accountants (Kenya)
P. O. Box 45931- 00100
Nairobi.

MAIN BANKERS

Diamond Trust Bank (Kenya) Limited
Nairobi.

ASTRAL PIPES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The directors have pleasure in presenting to shareholders their annual report together with the audited financial statements for the year ended 31st December 2022.

PRINCIPAL ACTIVITIES

Manufacturing and trading of CPVC, PVC pipes and fitting items.

RESULTS

The results for the year are as shown below:

	2022 <u>KSHS</u>	2021 <u>KSHS</u>
Revenue	-	46,003,667
Loss before tax	(1,967,845)	(113,346,448)
Tax provision	372,666	(16,638,837)
Loss after tax	<u>(2,340,511)</u>	<u>(96,707,611)</u>

GOING CONCERN

Directors and shareholders of company intends to liquidate the business in foreseeable future following the settlement of remaining of net assets. As a result the financial statement have been prepared on a basis other than going concern.

DIVIDEND

The directors do not recommend payment of a dividend for the year.

DIRECTORS

The names of the present directors are set out on page two.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ASTRAL PIPES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

TERMS OF APPOINTMENT OF THE AUDITOR

B. C. Patel & Company have expressed their willingness to continue in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees on behalf of the shareholders.

APPROVAL

The financial statements attached herewith were approved at the Board of Directors meeting held on 25th April 2023.



CHAIRMAN

DATED : 25th April 2023.

ASTRAL PIPES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and which disclose with reasonable accuracy the financial position of the company, and that enables them to prepare financial statements of the company that comply with prescribed financial reporting standards and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and taking reasonable steps for prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards and requirements of the Kenyan Companies Act, 2015. The directors also accept responsibility for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error;
- (b) Selecting and applying appropriate accounting policies consistently; and
- (c) Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors confirm that company is in process of winding up, will no more be a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the board of directors on 25th April 2023 and signed on its behalf by:



DIRECTOR

DIRECTOR

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASTRAL PIPES LIMITED

Opinion

We have audited the financial statements of Astral Pipes Limited set out on pages 9 to 39 which comprise the statement of financial position as at 31st December 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements present fairly in all material respects the financial position of the company as at 31st December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of the company. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing the audit of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for opinion - Emphasis of matter

We draw attention to the disclosure made in note no. 20 to the financial statements which explains that the financial statements are now not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information which comprises of the Directors' Report as required by the Kenyan Companies Act, 2015. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance or 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 during 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASTRAL PIPES LIMITED

Director's responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for designing, implementing and maintaining such internal control as 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 company's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to cease operations or to liquidate the company, or have no realistic alternative but to do so.

The responsibility for overseeing the Company's financial reporting processes rests on those charged with governance.

Auditor's responsibility for the financial statements

Our objectives are to obtain reasonable assurance as to 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 with our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise due to 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 conducted in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. Which includes:

- (a) Performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. These procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. 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.
- (b) Considering internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (c) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASTRAL PIPES LIMITED

Auditor's responsibility for the financial statements (Continued)

- (d) Conclude on the appropriateness of the directors' 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 and 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.
- (e) 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.

As part of our audit process, we communicate with the directors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit that:

In our opinion, the information given in the directors report is consistent with the financial statements.

The engagement partner responsible for audit resulting in this independent auditor's report is CPA Amee Chalishazar, Practising Certificate No. P1119

Amee Chalishazar



For and on behalf of B. C. PATEL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 45931 - 00100

Nairobi.

26th April 2023.

ASTRAL PIPES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	NOTES	2022 KSHS	2021 KSHS
ASSETS			
Non-current assets			
Assets held for sale	3	237,767,542	237,767,542
		<u>237,767,542</u>	<u>237,767,542</u>
Current assets			
Trade and other receivables	5	15,257,080	37,981,943
Cash and cash equivalents	6(a)	55,515	1,198,233
		<u>15,312,595</u>	<u>39,180,176</u>
Total assets		<u><u>253,080,137</u></u>	<u><u>276,947,718</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	820,000,000	820,000,000
Funds awaiting allotment of shares		359,414,273	50,735,875
Revenue reserves		(929,643,572)	(927,303,061)
		<u>249,770,701</u>	<u>(56,567,186)</u>
Current liabilities			
Borrowings	9	-	330,000,000
Trade and other payables	7	3,305,353	3,327,630
Tax liability		4,083	187,274
		<u>3,309,436</u>	<u>333,514,904</u>
Total equity and liabilities		<u><u>253,080,137</u></u>	<u><u>276,947,718</u></u>

The accounting policies and notes on pages 13 to 39 form an integral part of these financial statements.


 DIRECTOR


 DIRECTOR

ASTRAL PIPES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
Revenue	1(h)	-	46,003,667
Cost of sales	12	<u>-</u>	<u>63,566,294</u>
Gross profit/ (loss)		-	(17,562,627)
Other income	13	1,370,721	1,249,378
		<u>1,370,721</u>	<u>(16,313,249)</u>
Distribution costs	14	-	2,394,705
Administrative expenses	16	<u>3,319,740</u>	<u>57,646,675</u>
Operating loss	15	(1,949,019)	(76,354,629)
Finance costs	17	<u>18,826</u>	<u>36,991,819</u>
Loss before tax		(1,967,845)	(113,346,448)
Tax provision	10	<u>372,666</u>	<u>(16,638,837)</u>
Loss after tax		(2,340,511)	(96,707,611)
Other comprehensive income, net of taxes		-	-
Total comprehensive loss for the year		<u>(2,340,511)</u>	<u>(96,707,611)</u>

The accounting policies and notes on pages 13 to 39 form an integral part of these financial statements.

ASTRAL PIPES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	ORDINARY SHARE CAPITAL KSHS	PREFERENCE SHARE CAPITAL KSHS	FUNDS AWAITING ALLOTMENT OF SHARES KSHS	REVENUE RESERVES KSHS	TOTAL KSHS
Opening balance as at 1 st January 2021	100,000,000	720,000,000	50,735,875	(591,628,196)	279,107,679
Derecognised deferred tax asset	-	-	-	(238,967,254)	(238,967,254)
Total comprehensive loss for the year	-	-	-	(96,707,611)	(96,707,611)
Closing balance as at 31 st December 2021	<u>100,000,000</u>	<u>720,000,000</u>	<u>50,735,875</u>	<u>(927,303,061)</u>	<u>(56,567,186)</u>
Opening balance as at 1 st January 2022	100,000,000	720,000,000	50,735,875	(927,303,061)	(56,567,186)
Funds received during the year	-	-	308,678,398	-	308,678,398
Total comprehensive loss for the year	-	-	-	(2,340,511)	(2,340,511)
Closing balance as at 31 st December 2022	<u>100,000,000</u>	<u>720,000,000</u>	<u>359,414,273</u>	<u>(929,643,572)</u>	<u>249,770,701</u>

ASTRAL PIPES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
OPERATING ACTIVITIES			
Cash generated from operations	18	20,734,701	31,178,128
Interest paid		-	(2,024,890)
Tax paid		(555,817)	(189,939)
Net cash generated from operating activities		<u>20,178,884</u>	<u>28,963,299</u>
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	59,708,715
Net cash generated from investing activities		<u>-</u>	<u>59,708,715</u>
FINANCING ACTIVITIES			
Net movement in borrowings		(179,163,394)	(39,225,774)
Funds received from shareholders		308,678,398	-
Net cash generated from/ (used in) financing activities		<u>129,515,004</u>	<u>(39,225,774)</u>
Net increase in cash and cash equivalents		<u><u>149,693,888</u></u>	<u><u>49,446,240</u></u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
At the beginning of the year		(149,638,373)	(199,084,613)
Movement during the year		149,693,888	49,446,240
At the end of the year	6(b)	<u><u>55,515</u></u>	<u><u>(149,638,373)</u></u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(a) General Information

The Company is incorporated as a limited company in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya. The address of its registered office is disclosed on page 2.

(b) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and in the manner required by the Kenyan Companies Act, 2015.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income in these financial statements.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

These financial statements are presented in Kenya shillings (Kshs), which is the Company's functional and presentation currency.

(e) Significant accounting judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the actual results ultimately may differ from those estimates.

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.

In the process of applying the company's policies, the directors have made the following judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(e) Significant accounting judgements and estimates (Continued)

Impairment

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in a revaluation reserve.

In managements judgement, the carrying values of assets are not impaired as at the date of these financial statements.

Income taxes

The Company is subject to income taxes. Significant judgment is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of assets

Due to the nature of the company's assets, the directors assess the assets useful lives at the end of the year using internal technical expertise.

Valuation of financial instruments

The company carries its investments in unquoted shares as available for sale. The determination of the fair value requires estimation of the market value of the shares.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(f) Current versus non - current classification

The company presents assets and liabilities in the statement of financial position based on current/ non - current classification. An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- (ii) Held primarily for the purpose of trading.
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) 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:

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

The company classifies all other liabilities as non - current.

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

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(g) Adoption of new and revised International Financial Reporting Standards (IFRS)

New and amended standards and interpretations in issue but not yet effective in the period ended 31 December 2022

New and Amendments to standards

Effective for annual periods beginning on or after

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS practice statement 2 - Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17 - Insurance contracts	1 January 2023

The directors do not plan to apply any of the above standards and interpretations in issue but not yet effective in the period ended 31 December 2022 until they become effective. Based on their assessment, the directors anticipate no material impact to the company's financial statements.

Standards, amendments and interpretations effective on or after 1 January 2022

The following new and revised standards have become effective for the first time for the financial year beginning 1st January 2022 and have been adopted by the company where relevant to its operations:

New and Amendments to standards

Effective for annual periods beginning on or after

Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Amendments to IFRS 3 - Reference to the conceptual framework	1 January 2022
Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract	1 January 2022

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(g) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

Impact of new and amended standards and interpretations on the financial statements for the year and future annual periods:

Annual Improvements to IFRS Standards 2018–2020

The IASB International Accounting Standards Board (the Board) has issued the Annual Improvements to IFRS Standards 2018–2020:

IFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standard.

IFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the 10% test for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases – amendment of illustrative example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

IAS 41 Agriculture

This amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendment is effective for accounting periods beginning on or after 1 January 2022.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(g) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

Impact of new and amended standards and interpretations on the financial statements for the year and future annual periods (Continued):

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The amendment is effective for accounting periods beginning on or after 1 January 2022.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

Amendments to IFRS 3 - Reference to the conceptual framework

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The amendment is effective for accounting periods beginning on or after 1 January 2022.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendment is effective for accounting periods beginning on or after 1 January 2022.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(h) Revenue recognition

The company has adopted IFRS 15 for Revenue from contracts with customers where applicable. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets. IFRS 15 provides a single, principles based five-step model to be applied to all revenue arising from contracts with customers. The five steps in the model are as follows:

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

When the company satisfied a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

In the absence of contracts with customers, Revenue represents the fair value of the consideration receivable, net of Value Added Tax, where applicable and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement with nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the future economic benefits associated with the transaction will flow to the company and the costs associated with the transaction can be measured reliably.

- (i) Sales of goods are recognised upon the delivery of products and acceptance by the customers.
- (ii) Interest income is recognised on receipt basis.

(i) Purchases

Purchases include cost of goods purchased net of discounts and duty, insurance, L.C. charges, KPA charges, freight charges, agency fees, labour charges, store expense, offloading, packaging and other related costs.

Purchases excludes Value Added Tax.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(j) Dividends

Dividends payable on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are accrued for after ratification at an annual general meeting.

(k) Inventories

Inventories are valued at the lower of cost or net realisable value and are as taken, valued and certified by the management. Obsolete items are written off. The value of traded stocks is arrived at on a first-in first-out basis.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) Taxation

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is provided on the basis of the results for the year as shown in the financial statements adjusted in accordance with tax legislation and calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantively enacted at the end of the reporting period and which are expected to apply in the period in which the liability is settled or the asset realised are used to determine deferred tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(m) Foreign currency translation

Transactions in foreign currencies during the year are converted into Kenya Shillings at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate ruling at the reporting date. Resulting exchange differences are recognised in statement of comprehensive income.

Non-monetary assets and liabilities measured at historical cost denominated in foreign currency are translated at the exchange rate ruling at the date of transaction.

(n) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or at the revalued amount (as appropriate) less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within statement of comprehensive income and presented within other income/expense. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(ii) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(o) Intangible assets

Costs that are directly associated with identifiable and unique software products and will generate economic benefits exceeding costs beyond one year are recognised as intangible assets. These are amortised using the straight - line method over their expected useful lives.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(p) Retirement benefits obligation

Employee entitlements to gratuity and long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the statement of financial position date. The contribution to defined scheme and NSSF are charged to the income statement in the year in which they fall due. The estimated monetary liability for employees' accrued unutilised leave entitlement at the statement of financial position date is recognised as an expense accrual.

(q) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is possible that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the year end. These are reviewed at each statement of financial position date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to the financial statements.

Contingent assets are not recognised or disclosed.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(s) Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument constituting such assets and liabilities.

Impairment of Financial instruments

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- * Significant financial difficulty of the borrower or issuer;
- * Breach of contract such as a default or being more than 365 days past due;
- * Restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- * It is probable that the borrower will enter bankruptcy or other financial reorganisation;
- * Disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For financial assets measured at amortised cost, the company considered evidence of impairment for these assets at an individual level. In assessing impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When the company considered that there were no realistic prospects of recovery of the asset, the relevant losses were recognised in profit or loss and reflected in an allowance account. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(s) Financial instruments (Continued)

The company classifies its financial assets into the following categories: loans advances and receivables; and available for sale assets. Management determines the appropriate classification of its investments at initial recognition.

(i) Loans, advances and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable.

(ii) Available-for-sale financial assets

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates. These include quoted and unquoted equity investments.

Purchases and sales of investments are recognised on trade date - the date on which the company commits to purchase or sell the asset. Investments are initially recognised at nominal value. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the company has also transferred subsequently all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial assets is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in the statement of comprehensive income.

(iii) Trade receivables

Trade receivables are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts. Objective evidence of impairment of the receivables is when there is significant financial difficulty of the counterparty or when there is a default or delinquency in payment according to agreed terms. When a trade receivable is considered uncollectible, it is written off against the allowance account.

(iv) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term deposits with original maturities of three months or less.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

(s) Financial instruments (Continued)

(v) Borrowings

Borrowings are initially recorded at nominal value, net of any transaction costs incurred, and are subsequently stated at amortised cost using the effective interest rate method. Any difference between the net proceeds and the redemption value is recognised in statement of comprehensive income over the period of the borrowings. Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting period.

(vi) Trade payables

Trade payables are stated at their nominal value.

(vii) Share capital

Ordinary shares are classified as share capital in equity. Any amounts received in excess of the par value of the shares issued are classified as share premium in equity.

Preference shares are classified as share capital in equity if it is non-redeemable, or redeemable only at the company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the company's shareholders.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in statement of comprehensive income as accrued.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 FINANCIAL RISK MANAGEMENT POLICIES

The company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks.

Taking risk is core to the company's business and the operational risks are an inevitable consequence of being in business. The company's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The key types of risk arising from financial instruments include:

- (a) Market risk - includes currency, interest rate and other price risks
- (b) Liquidity risk
- (c) Credit risk

The company's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The company recognises that in order to pursue its objectives and take advantage of opportunities, it cannot avoid taking risks and that no risk management programme can aim to eliminate risk fully.

Accordingly, the company's approach to risk management is intended to increase risk awareness and understanding, thus taking risks where appropriate, in a structured and controlled manner.

The company's financial risk management objectives and policies are as outlined below:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The company's exposure to market risk due to changes in interest rates primarily relates to its long term borrowings obligations. Market risk associated with the company's borrowings relates to potential increase in interest expense on the variable rate borrowings. To manage the interest rate risk, management has endeavoured to obtain borrowings with fixed interest rates. At year-end borrowings with variable interest rates were minimal.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 FINANCIAL RISK MANAGEMENT POLICIES (Continued)

Foreign currency exchange risk

The company's exposure to foreign currency exchange risk primarily relates to its import related obligations which are denominated in foreign currency. Exposure to foreign currency risk is mitigated by the fact that sales prices are adjusted to take into account changes in input prices due to foreign currency changes.

The table below summarises the foreign currency exposure as at year-end.

	2022 <u>KSHS</u>	2021 <u>KSHS</u>
Assets in foreign currency		
Cash and cash equivalent	24,390	6,701
Trade and other receivables	-	568,366
	<u>24,390</u>	<u>575,068</u>
Liabilities in foreign currency		
Borrowings	-	192,194,293
Trade and other payables	-	161,947
	<u>-</u>	<u>192,356,240</u>
Net foreign currency exposure at year end	<u>24,390</u>	<u>(191,781,172)</u>

The following table demonstrates the sensitivity to a reasonably possible change in the below mentioned exchange rates at year-end, with all other variables held constant, of the company's loss before tax (due to changes in the fair value of monetary assets and liabilities).

Currency	Percentage movement in exchange rate	Effect on loss before tax	
		2022 <u>KSHS</u>	2021 <u>KSHS</u>
USD	5%	<u>1,220</u>	<u>9,589,059</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 FINANCIAL RISK MANAGEMENT POLICIES (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Summarised below is the maturity profile of financial liabilities based on the remaining period at statement of financial position date to the contractual maturity date.

	2022 <u>KSHS</u>	2021 <u>KSHS</u>
Trade and other payables	3,247,353	3,324,800
Due to related parties	58,000	2,830
Borrowings	-	330,000,000
Total	<u>3,305,353</u>	<u>333,327,630</u>

(c) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the company's trade receivables.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, the demographics of the company's customer base, including the default risk of the industry and country, in which customers operate.

The company has established a credit policy under which each new customer is analysed individually for credit worthiness acceptance. The company has a stringent debt provisioning policy that represents its estimate of incurred losses in respect of trade and other receivables.

No collateral is held for any of the assets stated here.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 FINANCIAL RISK MANAGEMENT POLICIES (Continued)

(c) Credit risk (Continued)

The amount that best represents the company's maximum exposure to the credit risk as at year end is made up as follows:

	2022	2021
	<u>KSHS</u>	<u>KSHS</u>
Trade and other receivables	20,330,429	20,663,114
Impairment loss allowance	(20,301,961)	(19,580,415)
Trade receivables - net	<u>28,468</u>	<u>1,082,699</u>
Other receivables	250,000	250,000
Advance, prepayments and deposits	-	25,000
VAT claimable	10,374,947	10,092,412
Loan to related parties	4,601,076	26,529,207
Total	<u>15,254,491</u>	<u>37,979,318</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 KSHS	2021 KSHS
3 ASSETS HELD FOR SALE	1(n)		
NET BOOK VALUE			
Building		59,521,714	59,521,714
Leasehold land		178,245,828	178,245,828
		<u>237,767,542</u>	<u>237,767,542</u>
Analyzed as:			
Building - L. R. No 209/14571, Nairobi.		59,521,714	59,521,714
Leasehold land - L. R. No 209/14571, Nairobi.		18,749,332	18,749,332
Leasehold land - L. R No. 337/5180, Athi River.		159,496,496	159,496,496
		<u>237,767,542</u>	<u>237,767,542</u>
Company is awaiting for discharge documents from Kenya Deposit Insurance Corporation (KDIC) against all legal securities kept with Imperial Bank Limited.			
4 INTANGIBLE ASSETS	1(o)		
Computer software			
Cost			
At the start of the year		2,240,579	2,240,579
Additions		-	-
At the end of the year		<u>2,240,579</u>	<u>2,240,579</u>
Amortisation			
At the start of the year		2,240,579	1,792,464
Charge for the year		-	448,115
At the end of the year		<u>2,240,579</u>	<u>2,240,579</u>
Net book value			
At the end of the year		<u>-</u>	<u>-</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
5 TRADE AND OTHER RECEIVABLES	1(s)		
Trade and other receivables		20,330,429	20,663,114
Impairment loss allowance		(20,301,961)	(19,580,415)
Trade receivables - net		<u>28,468</u>	<u>1,082,699</u>
Other receivables		250,000	250,000
Advance, prepayments and deposits		-	25,000
VAT claimable		10,374,947	10,092,412
Loan to related parties		4,601,076	26,529,207
Tax recoverable		2,589	2,625
		<u>15,257,080</u>	<u>37,981,943</u>
6 CASH AND CASH EQUIVALENTS	1(s)		
(a) Cash at bank		<u>55,515</u>	<u>1,198,233</u>
		<u>55,515</u>	<u>1,198,233</u>
(b) For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following amounts:			
Cash and bank balances	6(a)	55,515	1,198,233
Bank overdraft	9(a)	-	(150,836,606)
		<u>55,515</u>	<u>(149,638,373)</u>
7 TRADE AND OTHER PAYABLES	1(s)		
Trade and other payables		3,247,353	3,324,800
Due to related parties		58,000	2,830
		<u>3,305,353</u>	<u>3,327,630</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
8 SHARE CAPITAL	1(s)		
(a) Ordinary shares			
Authorised, issued and fully paid up 2,000,000 Ordinary shares of Kshs. 50/- each		<u>100,000,000</u>	<u>100,000,000</u>
(b) Preference shares			
Authorised, issued and fully paid up 14,400,000 preference shares of Kshs. 50/- each		<u>720,000,000</u>	<u>720,000,000</u>
(i) The preference shares are Non - cumulative redeemable preference shares. The fixed non - cumulative preferential dividend at the rate of 5% per annum on the capital will be paid, at the discretion of the Board. The dividend are non-cumulative.			
(ii) The preference shares have no voting rights at the Company's Annual General Meetings and or any other special company meetings.			
(iii) The shares cannot be transferred to any other party and not be used as security or collateral for any loans or advances.			
(iv) The Non-Cumulative Redeemable Preference shares will be redeemed by the company between 5 th to 8 th year, each at 25% per annum.			

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
9 BORROWINGS	1(s)		
(a) Current			
Bank overdraft		-	150,836,606
Bank loan		-	152,483,289
Hire purchase loans		-	26,680,105
		<u>-</u>	<u>330,000,000</u>
Total borrowings		<u>-</u>	<u>330,000,000</u>
(b) Imperial bank balances			
Bank overdraft		-	150,836,606
Bank loan		-	152,483,289
Hire purchase loans		-	26,680,105
		<u>-</u>	<u>330,000,000</u>

Company has borrowing worth of Kshs. Nil/= (2021: Kshs. 330,000,000/=) from Imperial Bank Limited. Central Bank of Kenya appointed Kenya Deposit Insurance Corporation (KDIC) on 13th October 2015 to assume the management and control of Imperial Bank Limited, for a period of twelve months.

During the period, Company managed to finalize on negotiated full and final settlement plan with Kenya Deposit Insurance Corporation (KDIC) on 28th February 2022 amounting to Kshs. 330,000,000/= (Kenya Shillings Three hundred thirty million only) for all outstanding balance of Imperial Bank Limited finalized and paid on 27th April 2022. Company is awaiting for discharge documents from Kenya Deposit Insurance Corporation (KDIC) against all legal securities kept with Imperial Bank Limited.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 KSHS	2021 KSHS
10 TAX PROVISION	1(l)		
The income tax expense has been calculated using income tax rate of 30%.			
(a) Current tax		372,666	374,813
Deferred tax		-	(17,013,650)
		<u>372,666</u>	<u>(16,638,837)</u>

(b) Reconciliation of tax credit to the expected tax based on accounting loss:

The tax on the company's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Loss before tax	(1,967,845)	(113,346,448)
Tax @ 30%	(590,354)	(34,003,934)
Add: Expenses not deductible for tax purposes	-	815,720
Add: Deferred tax provision not captured for current year loss	963,020	16,549,377
	<u>372,666</u>	<u>(16,638,837)</u>

11 DEFERRED TAX **1(l)**

Deferred tax is calculated, in full, on all temporary differences using a principal tax rate of 30%. Deferred tax (assets) and liabilities and deferred tax charge/(credits) in profit or loss, are attributable to the following items:

Tax losses	245,780,203	218,868,813
Accelerated capital allowances	14,625,196	12,041,356
Unrealised exchange loss	-	8,057,085
	<u>260,405,399</u>	<u>238,967,254</u>
Derecognised deferred tax asset*	<u>(260,405,399)</u>	<u>(238,967,254)</u>
	-	-

- * Effective 31 December 2021, the deferred tax asset arising from tax losses and accelerated capital allowance was derecognized in the financial statements as the directors are of the opinion that the company may not have adequate taxable profits in the foreseeable future to be utilized against the tax asset. The company tax losses as at 31 December 2022 amounted to Kshs 819,267,344/= (2021 : Kshs 787,727,302/=)

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
12 COST OF SALES			
Opening inventories		-	55,651,148
Add:			
Purchases	1(i)	-	1,200,879
Electricity and water		-	2,424,178
Repairs and maintenance of machinery		-	4,112,291
Transport charges		-	177,798
		<u>-</u>	<u>63,566,294</u>
Less: Closing inventories		<u>-</u>	<u>-</u>
		<u>-</u>	<u>63,566,294</u>
13 OTHER INCOME			
Interest income	1(h)	1,242,221	1,249,378
Other income		128,500	-
		<u>1,370,721</u>	<u>1,249,378</u>
14 DISTRIBUTION COSTS			
Vehicle running		-	571,726
Advertisement and sales promotion		-	188,809
Transport and travelling		-	1,634,170
		<u>-</u>	<u>2,394,705</u>
15 OPERATING LOSS			
The operating loss is arrived at after charging:			
Amortisation of intangible assets		-	448,115
Staff costs		-	6,093,060
Auditors' remuneration		125,000	180,000
		<u>125,000</u>	<u>180,000</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
16 ADMINISTRATIVE EXPENSES			
(a) Staff costs			
Salaries and wages		-	5,511,582
Pension contribution	1(p)	-	19,200
Training levy		-	4,800
Staff welfare and entertainment		-	557,478
Sub-total		<u>-</u>	<u>6,093,060</u>
(b) Other expenses			
Rent and rates		123,848	4,413,811
Communication		-	675,719
Subscription		257,778	339,535
Printing and stationery		2,500	65,239
Licences and insurance		150,959	564,147
Security		672,454	883,409
Repairs and maintenance		-	275,264
Professional fees		815,000	1,421,620
Audit fees		125,000	180,000
Sundry expense		50,988	71,750
Donation, fines and penalties		123,526	-
Legal fees		155,000	-
Bad debts		-	25,205
Loss on disposal of assets		-	39,570,657
Impairment loss on receivables		721,547	2,659,144
Stamp duty		98,640	-
Overprovision of expense		-	(40,000)
Secretarial fees		22,500	-
Amortisation of intangible assets	1(o) & 4	-	448,115
Sub-total		<u>3,319,740</u>	<u>51,553,615</u>
Total administrative expenses		<u><u>3,319,740</u></u>	<u><u>57,646,675</u></u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
17 FINANCE COSTS			
Bank charges		18,826	232,305
Bank interest		-	930,635
Interest on loan		-	1,001,872
Hire purchase interest		-	92,383
Other interest		-	125,947
Unrealised exchange loss	1(m)	-	26,856,949
Realised exchange loss	1(m)	-	7,751,728
		<u>18,826</u>	<u>36,991,819</u>

18 CASH GENERATED FROM OPERATIONS

Reconciliation of loss before tax to cash generated from operations:

Loss before tax	(1,967,845)	(113,346,448)
Adjustment for:		
- Amortisation of intangible assets	-	448,115
- Loss on disposal of non current asset	-	39,570,657
- Interest expense	-	2,024,890
Changes in:		
- Inventories		55,651,148
- Trade and other receivables	22,724,823	155,783,365
- Trade and other payables	(22,277)	(108,953,599)
	<u>20,734,701</u>	<u>31,178,128</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES	2022 <u>KSHS</u>	2021 <u>KSHS</u>
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19 RELATED PARTY TRANSACTIONS

The company shares common directors and shareholders with some of its suppliers and customers, to and from whom, goods and services were supplied/ acquired during the period under review. These transactions are in the normal course of business.

Transactions with related parties

Purchase of goods and services	600,000	4,137,606
Sales of goods and assets	-	47,218,598
Interest income from related party	1,242,221	1,249,378

Related party balances

Amounts due from related parties	5	4,601,076	26,529,207
Amounts due to related parties	7	58,000	2,830

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

20 GOING CONCERN

As at 31 December 2022, the company has accumulated losses of Ksh. 929,643,572/= (2021: 927,303,061/=).

Directors and shareholders of company intends to liquidate the business in foreseeable future following the settlement of remaining of net assets. As a result the financial statement have been prepared on a basis other than going concern.

21 CONTINGENT LIABILITIES

The directors are of the opinion that contingent liabilities, if any, will not have a material effect on the financial position or performance of the company.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22 CAPITAL COMMITMENTS

In the opinion of the directors there are no capital commitments.

23 EVENTS AFTER THE REPORTING DATE

There are no material events after the statement of financial position date which require disclosure.

24 COMPARATIVES

Previous year figures have been restated, wherever necessary, in order to conform to changes in current year presentation.

25 INCORPORATION

The company is incorporated in Kenya as a limited liability company under the Companies Act, 2015 and is domiciled in Kenya.