

SEAL IT SERVICES LIMITED

Financial Statements

FY 2023-24

COMPANY REGISTRATION NUMBER: 04487206

SEAL IT SERVICES LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2024

Seal It Services Limited

Financial statements

Year ended 31 March 2024

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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 S Engineer Mr D Morgan
Registered office	Unit G16 Lowfields Business Park 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 2024

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 loss before taxation of (£65,794) (2023 profit of £1,730,391). The equity attributable to owners of the parent company totalled £9,665,114 (2023: £9,965,015).

The Group has seen flat-line sales growth during the year to March 2024 compared to the previous year. We have seen a difficult year for the Building and Construction sector in the UK affected by:

- Major government contracts being withdrawn in 2023 which had an impact to the sector.
- High interest rates leading to increased mortgage rates that had effect on new house builds and reduced home purchasing activity.
- Increased costs across all areas introduced an impact on home repairs and refurbishment by deferring spending decisions through 2023/2024
- Towards the end of 2023/beginning of 2024, building merchants activity slowed; leading to reduced purchase volumes and a period of destocking across many customers.

Despite tough trading conditions, the Group gained some notable new customers from the top 10 major Building Merchant Groups. This came as a result of several major competitors failing to deliver stocks to many Merchant groups and for Bond It being introduced into Tender Agreement arrangements as a supply option.

We see continued demand for the Group's products, particularly on sealants and powders (that benefited with a £0.5m investment on new powder mixing capacity in late 2023). We have multiple new manufacturing initiatives underway to improve throughput volumes coupled with the launch of new products to the range will help drive growth and underpin our existing customer base.

Maintaining margins in a competitive market is key focus of the directors, along with stringent cost 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:

	2024	2023
Turnover	£35,922,584	£35,751,759
Trade Receivable Days	64	72

The focus of the board remains on setting challenging targets to improve performance across all core disciplines.

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). These are business critical areas that are independently audited on a 6 monthly basis by the Awarding Body, Alcumus, covered by Certificate 6152 that runs until our recertification date on 27th March 2025.

There are no outstanding non-conformances or observations.

Seal It Services Limited

Strategic report

Year ended 31 March 2024

Risk management (continued)

We were successful in introducing ISO 9001 into our North Carolina Manufacturing operation in February 2024 and this will help support new customer opportunities going forward.

As part of our active risk management on IT security/integrity, our UK operation has been independently audited and achieved Cyber Essentials approval in January 2024 and the Cyber Essentials Plus audit is planned for April 2024.

The Group monitor the supply chain and the risk that this could pose to the future of the business. The challenges related to silicone polymer supply the previous year were largely addressed with prices reducing through 2023. At start of 2024, pricing is increasing across a number of supplied materials due to the impact of shipping delays at the Red Sea.

A program of second sourcing and alternative supply routes have been established to minimise supply risks going forward and to actively target margin opportunities for the business when possible.

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 this difficult year.

Development and performance of the business

The directors are disappointed with no sales growth for the business in the period under review but are pleased to report success in securing significant sales opportunities for two of the top 10 Building Merchant Groups with additional growth available into 2024/25.

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 introduce further growth. Growth opportunities are being evaluated for closer working with our parent group, Astral Limited, to introduce new product technologies from India into the UK/EU market.

Principal risk and uncertainties

We are addressing regulatory changes introduced since Brexit to operate from UK into EU in a more structured arrangement by establishing an EU-Entity for Bond It based from Dublin, ROI. This will ensure we can control information in relation to REACH regulations to relevant authorities and assist to introduce new products both for UK and EU market.

Economic risk

The risk of increased interest rates, currency fluctuation, and/or inflation may have an adverse impact on the markets we serve. 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, maintaining product stocks at appropriate levels to respond to customer demands, 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 2024

Supply chain risk

Some raw material cost inflation is being seen in early 2024 due to shipping delays and problems in the Red Sea. Several suppliers of silicone-polymers have increased prices quoting these challenges as the reason for the changes.

We are working with colleagues in Astral Limited on a number of products and materials sourced via India to support our supply-chain security and to improve buying capabilities.

The Group manage the impact of material cost changes on a weekly basis and action changes each month to reflect margin impact. 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 13th May 2024 and signed on behalf of the board by:

Dean Morgan

[Dean Morgan \(May 13, 2024 09:52 GMT+1\)](#)

Mr D M Morgan
Managing Director

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

Seal It Services Limited

Directors' report

Year ended 31 March 2024

The directors present their report and financial statements for the year ended 31 March 2024.

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 A Moore
Mr S P Engineer
Mrs J S Engineer
Mr D M Morgan
Mr S S Engineer (appointed 20th October 2023)

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 2024

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 13th May 2024 and signed on behalf of the board by:


[Dean Morgan \(May 13, 2024 09:52 GMT+1\)](#)

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 2024

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 2024 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 2024 and of the group's loss 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 2024

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 2024

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 2024

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
13 May 2024

Seal It Services Limited

Consolidated statement of profit and loss and other comprehensive income Year ended 31 March 2024

	Note	2024 £	2023 £
Continuing operations			
Revenue	3	35,922,584	35,751,759
Cost of sales		(24,242,067)	(24,731,726)
Gross profit		11,680,517	11,020,033
Distribution expenses		(3,718,147)	(3,162,360)
Administrative expenses		(7,465,234)	(5,716,427)
Operating profit		497,136	2,141,246
Finance expenses	7	(562,930)	(410,855)
(Loss)/Profit before taxation		(65,794)	1,730,391
Taxation	9	(306,382)	(463,173)
(Loss)/Profit for the year		(372,176)	1,267,218
 Other comprehensive income			
Items that may be reclassified to the consolidated statement of profit and loss and other comprehensive income:			
Foreign exchange gains/(losses)		72,276	(163,335)
Taxation		-	-
Other comprehensive income net of tax		72,276	(163,335)
Total comprehensive income for the year		(299,900)	1,103,883
 Attributable to:			
Equity holders of the Company		(299,900)	1,103,883

All the activities of the Group are from continuing operations.

Seal It Services Limited

Consolidated statement of financial position

31 March 2024

	Note	2024 £	2023 £
Assets			
Non-current assets			
Intangible assets	10	2,389,769	2,389,769
Property, plant and equipment	11a	5,848,056	5,058,344
Capital Work in Progress	11b	382,880	-
Right of use assets	11c	473,277	381,738
		9,093,982	7,829,851
Current assets			
Inventory	13	7,006,779	6,882,592
Trade and other receivables	14	7,499,097	7,998,344
Cash and cash equivalents	15	1,739,020	1,551,272
		16,244,896	16,432,208
Total assets		25,338,877	24,262,059
Liabilities			
Non-current liabilities			
Loans and borrowings	16	4,957,041	3,885,255
Lease liabilities	11c	293,337	22,773
Deferred tax liabilities	18	196,074	160,126
		5,446,452	4,068,154
Current liabilities			
Loans and borrowings	16	5,002,075	4,066,505
Lease liabilities	11c	89,632	196,464
Trade and other payables	17	5,135,603	5,965,921
		10,277,310	10,228,890
Total liabilities		15,673,762	14,297,044
Net assets		9,665,114	9,965,015
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	9,804,347	10,176,524
Foreign exchange reserve	20	(139,333)	(211,609)
Total equity		9,665,114	9,965,015

These financial statements were approved by the board of directors and authorized for issue on 13th May 2024 and are signed on behalf of the board by:

Dean Morgan
[Dean Morgan \(May 13, 2024 09:52 GMT+1\)](#)

Mr D Morgan
 Director
 Company registration number: 04487206

The notes on pages 17 to 52 form part of these financial statements.

Seal It Services Limited

Company statement of financial position

31 March 2024

	Note	2024 £	2023 £
Assets			
Non-current assets			
Property, plant and equipment	11a	4,901,063	3,946,239
Capital Work In Progress	11b	155,992	-
Right of use assets	11c	473,277	260,867
Investments	12	542,341	542,340
Other receivables	14	7,191,600	6,884,237
		13,264,273	11,633,683
Current assets			
Inventory	13	5,903,798	5,125,765
Trade and other receivables	14	6,912,715	7,110,655
Cash and cash equivalents	15	1,649,650	1,403,914
		14,466,163	13,640,334
Total assets		27,730,436	25,274,017
Liabilities			
Non-current liabilities			
Loans and borrowings	16	4,957,041	3,885,255
Lease liabilities	11c	293,337	22,773
Deferred tax liabilities	18	196,074	160,126
		5,446,452	4,068,154
Current liabilities			
Loans and borrowings	16	5,002,075	4,066,505
Lease liabilities	11c	89,632	82,278
Trade and other payables	17	4,847,427	5,552,354
		9,939,134	9,701,137
Total liabilities		15,385,586	13,769,291
Net assets		12,344,849	11,504,726
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	12,344,749	11,504,626
Foreign exchange reserve	20	-	-
Total equity		12,344,849	11,504,726

The profit for the financial year of the parent company was £840,124 (2023: £1,714,937)

These financial statements were approved by the board of directors and authorized for issue on 13th May 2024 and are signed on behalf of the board by:

Dean Morgan

Dean Morgan (May 13, 2024 09:52 GMT+1)

Mr D Morgan
Director

Company registration number: 04487206

The notes on pages 17 to 52 form part of these financial statements.

Seal It Services Limited

Consolidated statement of changes in equity

Year ended 31 March 2024

Consolidated statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2023	100	(211,609)	10,176,524	9,965,015
Loss for the year	-	-	(372,176)	(372,176)
Foreign Currency Gain	-	72,276	-	72,276
Total comprehensive income for the year	-	72,276	(372,176)	(299,900)
At 31 March 2024	100	(139,333)	9,804,347	9,665,114

	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

Company statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2023	100	-	11,504,626	11,504,726
Profit for the year	-	-	840,124	840,124
Foreign Currency Gain/Loss	-	-	-	-
Total comprehensive income for the year	-	-	840,124	840,124
At 31 March 2024	100	-	12,344,749	12,344,849

	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 Gain/Loss	-	-	-	-
Total comprehensive income for the year	-	-	1,714,937	1,714,937
At 31 March 2023	100	-	11,504,626	11,504,726

The notes on pages 17 to 52 form part of these financial statements.

Seal It Services Limited

Consolidated statement of cash flows

Year ended 31 March 2024

Consolidated statement of cash flow	Note	2024 £	2023 £
Cash flows from operating activities			
Profit after taxation		(372,176)	1,267,218
Adjustment for:			
Depreciation and amortization	11a & 11c	1,047,016	1,069,398
Net finance costs	7	562,930	410,855
(Profit)/Loss on disposal of tangible assets		(18,467)	(3,331)
Accrued expenses		80,433	(411,957)
Foreign currency		125,805	(197,026)
Tax on profit of ordinary activities	9	306,382	463,173
		1,731,923	2,598,330
Changes in working capital:			
Movement in inventory		(124,187)	514,143
Movement in trade and other receivables		645,680	(320,289)
Movement in trade and other payables		(982,511)	632,675
Cash generated from operations		1,270,906	3,424,859
Interest paid		(524,822)	(423,602)
Income tax paid		(377,000)	(936,872)
Net cash inflow from operating activities		369,084	2,064,385
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,886,151)	(1,111,603)
Upfront payment made for ROU asset		(89,653)	-
Proceeds from sale of tangible assets		42,336	13,746
Net cash outflow from investing activities		(1,933,467)	(1,097,857)
Cash flows from financing activities			
Payment of lease liabilities		(217,094)	(309,656)
Proceeds from Parent Company loans		773,922	0
Proceeds from bank loans		1,411,698	363,001
Repayment of bank loans		(216,395)	(926,449)
Net cash (outflow)/inflow from financing activities		1,752,131	(873,104)
Net increase in cash and cash equivalents		187,748	93,424
Cash and cash equivalents at 1 April		1,551,272	1,457,848
Cash and cash equivalents at 31 March	15	1,739,020	1,551,272

The notes on pages 17 to 52 form part of these financial statements.

Seal It Services Limited

Notes to the financial statements

Year ended 31 March 2024

1. General information

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

The consolidated financial statements were authorized for issue by the board of directors on 13th May 2024.

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 £3,640,752 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 2024

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.

Notes to the financial statements *(continued)***Year ended 31 March 2024**

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. Both the USA Subsidiary and The Republic of Ireland Subsidiary were translated using the year end rate for consolidation purposes. The following exchange rates were applied for £1 at 31 March:

	2024	2023
United States dollar	1.2618	1.2367
Euro	1.1690	-

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 and Assets subject to Hire Purchase Agreements

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 Hire Purchase Agreement 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 contractual 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 hire purchase arrangement is depreciated over their useful lives as 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 2024

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 financing arrangements is depreciated over their useful lives as the ownership reverts to the Group at the lease term end.

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

Freehold 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 and hire purchase agreements, except for short-term leases and leases of low-value assets. The Group recognizes lease and hire purchase liabilities to make future 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 or the date of hire purchase agreement (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 contractual liabilities. The cost of right-of-use assets includes the amount of contractual liabilities recognized, initial direct costs incurred, and contractual payments made at or before the commencement date less any incentives received as long as they are directly attributable to the contract. 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 or hire purchase agreement, the Group recognizes contractual liabilities measured at the present value of future payments to be made over the contract term. The payments include fixed payments (including in-substance fixed payments) less any attributable incentives receivable, variable lease or hire purchase payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable contractual payments that do not depend on an index or a rate are recognized as expenses (unless

2. Accounting policies (continued)

Property, plant & equipment (continued)

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 contractual payments, the Group uses its incremental borrowing rate at the contract commencement date if the interest rate implicit in the lease or hire purchase agreement is not readily determinable. After the commencement date, the amount of contractual liabilities is increased to reflect the accretion of interest and reduced for the contractual payments made. In addition, the carrying amount of lease or hire purchase liabilities is remeasured if there is a modification, a change in the lease term, a change in the contractual 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 capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Investments

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

Impairment of non-current assets

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

2. Accounting policies (continued)

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.

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.

2. Accounting policies (continued)

Income tax (continued)

Income tax is recognised in profit or loss.

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

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

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of 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).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

2. Accounting policies (continued)

Fair Value estimation (continued)

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 2024.

Changes in accounting polices

a) New standards, interpretations and amendments adopted from 1 January 2023

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

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the Group.

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023.

IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as Seal It Services Limited. The Group carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual consolidated financial statements of the Group.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the Consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

2. Accounting policies (continued)

Changes in accounting policies (continued)

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the consolidated financial statements of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the annual consolidated financial statements of the Group.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management has determined that the Group is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Group.

b) New standards, interpretations and amendments not yet effective

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

The following amendments are effective for the period beginning 1 January 2024:

- *Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);*
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);*

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

2. Accounting policies (continued)

Changes in accounting policies (continued)

- *Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)*; and
- *Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)*

The following amendments are effective for the period beginning 1 January 2025:

- *Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

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 are yet to be 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 2024

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

	2024	2023
	£	£
UK Sales	32,016,535	31,643,435
US sales	2,685,192	2,944,076
EU sales	1,157,117	986,572
Other	63,740	177,676
	35,922,584	35,751,759

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

	2024	2023
	£	£
Raw materials and consumables used	21,687,766	22,392,620
Employee costs	6,391,338	5,206,053
Depreciation and amortization	1,047,016	1,069,398
Other sales expenses	697,006	648,531
Repairs	354,806	286,638
Other cost of sales	302,100	432,510
Transport	1,845,261	1,495,641
Finance costs	562,930	410,855
Foreign currency losses/(gains)	156,445	(337,635)
Other administrative costs	2,943,709	2,416,757
	35,988,378	34,021,368

5. Employee numbers

Staff members:

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

	2024	2023
Number of production staff	76	70
Number of distribution staff	20	25
Number of administrative staff	60	56
Number of management staff	5	4
	161	155

Out of the average staff numbers 20 (2023: 18) are employed by the subsidiary Seal It Inc.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

6. Payroll costs

Aggregate payroll costs:

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

	2024	2023
	£	£
Wages and salaries	5,705,018	4,601,968
Employers' national insurance contributions and similar taxes	562,165	498,812
Defined contribution pension cost	124,155	105,273
	6,391,338	5,206,053

Directors' remuneration:

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

	2024	2023
	£	£
Remuneration receivable	320,519	322,242
Defined contribution pension cost	33,536	31,429
	354,056	353,671

Remuneration of highest paid director:

	2024	2023
	£	£
Remuneration receivable	164,234	165,167
Defined contribution pension costs	25,357	23,785
	189,591	188,952

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

	2024	2023
	No.	No.
Money purchase schemes	2	2

Key management compensation:

Key management personnel (except Directors) 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:

	2024	2023
	£	£
Remuneration receivable	641,296	465,824
Defined contribution pension cost	5,173	3,082
	646,469	468,906

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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 £ 124,155 (2023: £105,273).

7. Finance expense

	2024	2023
	£	£
Interest expense on financial liabilities measured at amortised cost and other similar charges	544,795	398,718
Interest expense on lease liabilities	18,135	12,137
	562,930	410,855

8. Auditors' remuneration

	2024	2023
	£	£
Auditors' remuneration: - as auditor	28,450	27,500
Audit related services	41,665	23,859
Other services:		
- taxation services	27,513	34,707
	97,628	86,066

9. Taxation

(a) Analysis of charge in the year	2024	2023
	£	£
Current tax:		
In respect of the year:		
Current tax based on the results for the year at 25% (2023 - 19%)	341,101	453,081
Over provision in prior year	(70,667)	11,363
Total current tax	270,434	464,444
Deferred tax:		
Origination and reversal of timing differences	(10,458)	(13,296)
Effect of tax rate change on opening balances	-	-
Adjustments in respect of prior periods`	46,405	12,025
Total tax charge	306,382	463,173

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 25% (2023 - 19%).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

9. Taxation (continued)

(b) Factors affecting current tax charge	2024	2023
	£	£
Profit before taxation	(65,794)	1,730,391
Profit by rate of corporation tax in UK	(16,449)	328,774
Expenses not deductible for tax purposes	330	3,023
Income not taxable for tax purposes	-	(728)
Surplus of depreciation over capital allowances	41,912	14,290
Adjustments to tax charge in respect of previous periods	(69,763)	11,363
Remeasurement of deferred tax for change in tax rate	-	(3,193)
Adjustments to tax charge in respect of previous periods – deferred tax	46,406	12,025
Transfer pricing adjustment	-	15,140
Other timing differences	303,946	82,479
Total tax charge	306,382	463,173

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 has changed 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

10. Intangible Assets

	Goodwill
Cost	£
At 1 April 2023	2,389,769
Additions acquired through business combinations	-
At 31 March 2024	<u>2,389,769</u>
 Amortisation and impairment	
At 1 April 2023	-
Amortisation and impairment during the year	-
At 31 March 2024	<u>-</u>
 Carrying amount	
At 31 March 2024	<u>2,389,769</u>
At 31 March 2023	<u>2,389,769</u>

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 2024 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 life is monitored by management at operating segment level. All the goodwill is within the US segment and that is the segment which is being evaluated for impairment and disclosed below. The recoverable amount of US segment as cash generating unit (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 key assumptions used for value in use calculations were as follows:

	2024	2023
Compound revenue growth	10%	10%
Margin percentage growth	3%	3%
Group pre-tax discount rate	10%	10%

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 2024

11. (a) Property, Plant and Equipment

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2023	3,997,439	6,191,358	750,075	65,123	611,403	11,615,398
Additions	901,308	295,125	66,224	119,570	121,043	1,503,271
Disposals	(5,375)	(45,928)	-	(10,574)	(7,840)	(69,717)
Transfer / Reclassification	(21)	-	-	-	-	(21)
From right-of-use assets	-	295,158	-	-	-	295,158
FX	(13,328)	(25,428)	-	-	(1,853)	(40,610)
At 31 Mar 2024	4,880,023	6,710,285	816,299	174,120	722,752	13,303,479
Depreciation						
At 1 Apr 2023	951,606	4,630,258	451,731	43,877	479,583	6,557,054
Charge for year	177,374	495,556	67,787	13,965	84,524	839,206
Disposals	-	(35,269)	-	(10,574)	-	(45,843)
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	124,073	-	-	-	124,073
FX	(1,062)	(16,665)	-	-	(1,340)	(19,067)
At 31 Mar 2024	1,127,917	5,197,955	519,519	47,269	562,765	7,455,426
Net book value						
At 31 Mar 2024	3,752,105	1,512,330	296,780	126,850	159,987	5,848,056
At 31 Mar 2023	3,045,833	1,561,100	298,344	21,246	131,821	5,058,344

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

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2024

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

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2023	3,327,414	4,922,550	750,075	65,123	519,969	9,585,113
Additions	901,308	248,513	66,224	119,570	112,513	1,448,129
Disposals	(5,375)	(45,793)	-	(10,574)	(7,840)	(69,581)
Transfer / Reclassification	(21)	-	-	-	-	(21)
From right-of-use assets	-	295,158	-	-	-	295,158
At 31 Mar 2024	4,223,326	5,420,418	816,299	174,120	624,633	11,258,797
Depreciation						
At 1 Apr 2023	903,741	3,823,723	451,731	43,877	415,810	5,638,882
Charge for year	150,088	341,850	67,787	13,965	66,938	640,629
Disposals	-	(35,269)	-	(10,574)	-	(45,843)
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	124,073	-	-	-	124,073
At 31 Mar 2024	1,053,830	4,254,367	519,519	47,269	482,748	6,357,733
Net book value						
At 31 Mar 2024	3,169,497	1,166,051	296,780	126,850	141,885	4,901,063
At 31 Mar 2023	2,423,673	1,098,817	298,344	21,246	104,159	3,946,239

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

11. (b) Capital Work in Progress Aging

Capital Work in Progress - Group	Total £
Up to 3 months	147,683
3 to 6 months	184,534
6 months to 1 year	50,662
At 31 Mar 2024	<u>382,880</u>

Capital Work in Progress - Company	Total £
Up to 3 months	4,357
3 to 6 months	100,972
6 months to 1 year	50,662
At 31 Mar 2024	<u>155,992</u>

11. (c) Right of Use Assets and Liabilities

ROU - Group	Buildings £	Plant & Machinery & Motor Vehicles £	Total £
At 1 Apr 2023	138,392	243,304	381,738
Additions	-	472,366	472,366
Amortisation	(136,502)	(71,308)	(207,810)
Transfer to PPE	-	(171,085)	(171,085)
FX	(1,885)	-	(1,885)
At 31 Mar 2024	<u>-</u>	<u>473,277</u>	<u>473,277</u>

In accordance with the group's right of use assets policy, during year the group has transferred assets of £295,158 (net of accumulated depreciation of £171,085) back to property, plant and equipment; the assets were at the end of their hire purchase agreement term and ownership reverted to the Group.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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

ROU - Group	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2022	485,248	516,266	1,001,514
Transition reclassification	(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

In accordance with the group's right of use assets policy, during year the group has transferred assets of £171,085 (net of accumulated depreciation of £124,073) back to property, plant and equipment; the assets were at the end of their hire purchase agreement term and ownership reverted to the Group.

Lease Liabilities - Group

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2023	127,873	91,364	219,237
Additions	-	382,644	382,644
Lease payments	(127,540)	(107,694)	(235,232)
Interest	1,484	16,655	18,135
FX	(1,817)	-	(1,817)
At 31 Mar 2024	-	382,969	382,969

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 2024

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

The Group's lease liabilities comprise of lease in respect of properties in the jurisdiction in which the Group operates. Certain items of plant and machinery and motor vehicles used in the Group's operating activities are subject to hire purchase agreements. Lease repayments comprise only of fixed payments over the contract terms.

Capital commitments - Group	2024	2023
	£	£
Contracted but not provided for in the financial statements	5,465,130	358,048

This commitment relates to investment project into manufacturing facilities in Unites States entity as well as two new capital leases that are expected to commence in the first quarter of the next financial year. One of the premises is additional to the current footprint and is located in UK. The second of the two is a replacement for the premises currently occupied by US operation in Los Angeles, and is located in the same state as the premises that are being vacated.

ROU - Company	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2023	17,552	243,315	260,867
Lease Modification	-	-	-
Additions	-	472,365	472,365
Amortisation	(17,552)	(71,308)	(88,869)
Transfer to PPE	-	(171,085)	(171,085)
At 31 Mar 2024	-	473,277	473,277

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

In accordance with the group's right of use assets policy, during year the group has transferred assets of £171,085 (net of accumulated depreciation of £124,073) back to property, plant and equipment; the assets were at the end of their hire purchase agreement term and ownership reverted to the Group.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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

Lease Liabilities - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2023	13,688	91,363	105,051
Lease Modification	-	-	-
Additions	-	382,644	382,644
Lease payments	(13,750)	(107,693)	(121,443)
Interest	62	16,655	16,718
At 31 Mar 2024	-	382,969	382,969

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

The Company's lease liabilities comprise of lease in respect of properties in the jurisdiction in which the Company operates. Certain items of plant and machinery and motor vehicles used in the Company's operating activities are subject to hire purchase agreements. Lease repayments comprise only of fixed payments over the contract term.

Capital commitments - Company

	2024	2023
	£	£
Contracted but not provided for in the financial statements	2,920,056	358,048

This commitment relates to long term lease on the premises that are additional to the current footprint of the business and are located in the vicinity to the current Company operation.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

12. Investments

Company	Group companies £
Cost	
At 1 Apr 2023	542,340
Additions	1
Disposals	-
Net book value	
At 31 Mar 2024	542,341
At 31 Mar 2023	542,340

Two subsidiaries 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 Services Inc	USA	100%	Manufacturing
SISL (Bond It) Ireland Ltd	Ireland	100%	Supply of Building Chemicals

SISL (Bond It) Ireland Ltd is yet to commence business.

The registered office of Seal It Inc is: c/o Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, Delaware 19904. The registered office of SISL (Bond It) Ireland Ltd is: 70 Sir John Rogerson's Quay, Dublin, D02 R296, Ireland.

13. Inventories

Group	2024 £	2023 £
Raw materials	2,782,880	3,145,860
Work in progress	51,435	67,143
Finished goods	4,172,464	3,669,589
	7,006,779	6,882,592

The cost of inventories recognised as expenses and included in cost of sales amounted to £21,687,766 (2023: £22,392,620).

Company	2024 £	2023 £
Raw materials	2,541,831	2,813,485
Work in progress	43,941	59,239
Finished goods	3,318,026	2,253,041
	5,903,798	5,125,765

The cost of inventories recognised as expenses and included in cost of sales amounted to £20,639,638 (2023: £21,735,737).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

14. Trade and other receivables

Group	2024	2023
	£	£
Trade receivables	6,806,070	7,246,841
Less: provision for trade receivables	(494,232)	(216,523)
Trade receivables – net	6,311,838	7,030,318
Total financial assets other than cash and cash equivalents classified as amortised cost	6,311,838	7,030,318
Other receivables	340,731	191,128
Prepayments and accrued income	846,528	776,898
Total trade and other receivables	7,499,097	7,998,344

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 remain unpaid beyond their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days or earlier if additional information as to recoverability is available.

The carrying value of trade and other receivables classified at amortised cost approximates fair value. At 31 March 2024, £4,726,136 (2023: £3,845,041) 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:

	2024	2023
	£	£
Sterling	5,879,041	6,234,788
US Dollars	432,797	795,530
	6,311,838	7,030,318

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

	2024	2023
	£	£
At 1 April	216,523	208,267
Increase in provision for trade receivables	277,709	8,256
At 31 March	494,232	216,523

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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 2024, trade receivables of £2,139,121 (2023: £562,166) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

	2024	2023
	£	£
Up to 3 months	2,126,380	49,797
3 to 6 months	(944)	38,332
Over 6 months	13,686	474,037
At 31 March	2,139,121	562,166

At 31 March 2024, trade receivables of £497,403 (2023: £157,501) were impaired. The ageing analysis of these trade receivables is as follows

	2024	2023
	£	£
Up to 3 months	731	4,234
3 to 6 months	17,040	2,352
Over 6 months	479,632	150,915
At 31 March	497,403	157,501

Company

	2024	2023
	£	£
Trade receivables	5,894,892	6,290,437
Less: provision for trade receivables	(15,851)	(55,649)
Trade receivables – net	5,879,041	6,234,788
Receivables from group companies	7,191,600	6,884,237
Total financial assets other than cash and cash equivalents classified as amortised cost	13,070,641	13,119,025
Other receivables	339,838	162,563
Prepayments and accrued income	693,836	713,304
Total trade and other receivables	14,104,315	13,994,892
Less: non-current portion – receivables from group companies	7,191,600	6,884,237
Current portion	6,912,715	7,110,655

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

14. Trade and other receivables (continued)

Current trade and other receivables are held at cost as fair value approximates cost. Trade and other receivables are considered past due once they remain unpaid 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 2024. The terms of the loan carry an interest charge of 6.0%, £ 148,500 (2023: £169,069), 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:

	2024	2023
	£	£
Sterling	5,894,892	6,290,437
	<u>5,894,892</u>	<u>6,290,437</u>

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

	2024	2023
	£	£
At 1 April	55,649	50,025
Decrease in provision for trade receivables	(39,798)	5,624
At 31 March	<u>15,851</u>	<u>55,649</u>

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. Provision is made based on Net value of Debt (excluding VAT which is recoverable).

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 2024, trade receivables of £2,026,255 (2023: £43,886) were past due but not impaired. These relate a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2024	2023
	£	£
Up to 3 months	2,028,086	17,552
3 to 6 months	(944)	23,238
Over 6 months	(887)	3,096
At 31 March	<u>2,026,255</u>	<u>43,886</u>

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

14. Trade and other receivables (continued)

At 31 March 2024, trade receivables of £19,021 (2023: £8,999) were impaired. The ageing analysis of these trade receivables is as follows:

	2024	2023
	£	£
Up to 3 months	731	4,234
3 to 6 months	9,924	2,352
Over 6 months	8,366	2,414
At 31 March	19,021	8,999

15. Cash and cash equivalents

Group

	2024	2023
	£	£
Cash and cash equivalents	1,739,020	1,551,272
	1,739,020	1,551,272

Cash and cash equivalents are denominated in either £ Sterling or \$ USD. Included within cash and cash equivalents is an overdraft balance of £ Nil (2023: £ Nil) denominated in £ Sterling and £ Nil denominated in \$ USD.

Company

	2024	2023
	£	£
Cash and cash equivalents	1,649,650	1,403,914
	1,649,650	1,403,914

All cash and cash equivalents are denominated in £ Sterling.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

16. Loans and borrowings

Group

	2024 £	2023 £
Non-current		
Bank borrowings - Secured	1,316,289	1,056,556
Loans from parent company	3,640,752	2,828,699
Total non-current loans and borrowings	4,957,041	3,885,255
	2024 £	2023 £
Current		
Bank borrowings - Secured	5,002,075	4,066,505
Total current loans and borrowings	5,002,075	4,066,505
Total loans and borrowings	9,959,116	7,951,760

All loans and borrowings are denominated in £ Sterling.

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

	2024		2023	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,316,289	7.25%	1,056,556	6.25%
Loans from parent company	3,640,752	6.00%	2,828,699	6.00%
	4,957,041		3,885,255	
Current				
Bank borrowings	5,002,075	7.01%	4,066,505	6.01%
	5,002,075		4,066,505	

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

	2024		2023	
	Debt £	Fair value £	Debt £	Fair value £
Non-current				
Bank borrowings – Secured	1,316,289	893,913	1,056,556	786,635
Loans from parent company	3,640,752	3,311,157	2,828,699	2,375,030
	4,957,041	4,205,070	3,885,255	3,161,665
Current				
Bank borrowings - Secured	5,002,075	5,002,075	4,066,505	4,066,505
	5,002,075	5,002,075	4,066,505	4,066,505

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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:

	2024	2023
	£	£
Less than one year	5,002,075	4,066,505
Between one and five years	4,545,084	3,715,165
Over five years	411,957	170,090
Total loans and borrowings	9,959,115	7,951,760

Company

	2024	2023
	£	£
Non-current		
Bank borrowings - Secured	1,316,289	1,056,556
Loans from parent company	3,640,752	2,828,699
Total non-current loans and borrowings	4,957,041	3,885,255

	2024	2023
	£	£
Current		
Bank borrowings - Secured	5,002,075	4,066,505
Total current loans and borrowings	5,002,075	4,066,505
Total loans and borrowings	9,959,115	7,951,760

All loans and borrowings are denominated in £ Sterling.

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

	2024		2023	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings - Secured	1,316,289	7.25%	1,056,556	6.25%
Loans from parent company	3,640,752	6.00%	2,828,699	6.00%
	4,957,041		3,885,255	
Current				
Bank borrowings - Secured	5,002,075	7.01%	4,066,505	6.01%
	5,002,075		4,066,505	

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

16. Loans and borrowings (continued)

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

Non-current	2024		2023	
	Debt £	Fair value £	Debt £	Fair value £
Bank borrowings	1,316,289	893,913	1,056,556	786,635
Loans from parent company	3,634,556	3,317,002	2,828,699	2,375,030
	4,957,041	4,210,915	3,885,255	3,161,665
Current				
Bank borrowings	5,002,075	5,002,075	4,066,505	4,066,505
	5,002,075	5,002,075	4,066,505	4,066,505

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:

	2024	2023
	£	£
Less than one year	5,002,075	4,066,505
Between one and five years	4,545,084	3,715,165
Over five years	411,957	170,090
Total loans and borrowings	9,959,115	7,951,760

Bank borrowings for the Company and Group are secured by the following:

- First legal mortgage over the freehold property known as Units G16, G17, G18 and G20.
- 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 2024

17. Trade and other payables

Group	2024	2023
	£	£
Current		
Trade payables	3,371,425	4,096,066
Other payables	120,882	206,276
Accruals	1,068,650	988,217
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,560,957	5,290,559
Corporation tax	-	(72,658)
Other taxation and social security	574,646	748,020
Total trade and other payables	5,135,603	5,965,921

£1,011,982 (2023: £1,261,497) of trade and other payables are denominated in € Euro, £218,176 (2023: £413,567) is denominated in \$ US dollar, with all other amounts denominated in £ Sterling.

Company	2024	2023
	£	£
Current		
Trade payables	3,293,940	3,864,808
Other payables	85,883	175,559
Accruals	896,186	841,015
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,276,009	4,881,382
Corporation tax	-	(72,658)
Other taxation and social security	571,418	743,630
Total trade and other payables	4,847,427	5,552,354

£1,011,982 (2023: £1,261,497) of trade and other payables are denominated in Euro, with all other amounts denominated in £ Sterling.

18. Deferred Taxation

Group and Company	2024	2023
	£	£
Provision brought forward	160,126	161,397
Decrease in provision	35,948	(1,271)
Provision carried forward	196,074	160,126

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

18. Deferred Taxation (continued)

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

	2024		2023	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	196,074	-	160,126	-

19. Share Capital

Group and Company - Allotted, called up and fully paid:

	2024		2023	
	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.

Group and Company - Shareholding

	2024		2023	
	No.	£	No.	£
Holding Company	95	95	95	95
Minority Shareholder	5	5	5	5
	100	100	100	100

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 2023	(211,609)	10,176,524
Profit for the year	-	(372,176)
Foreign exchange reserve	72,276	-
Balance at 31 March 2024	(139,333)	9,804,348
	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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

20. Reserves (continued)

Company

	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2023	-	11,504,626
Profit for the year	-	840,124
Foreign exchange reserve	-	-
Balance at 31 March 2024	-	12,344,850

	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

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 2024

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 2024			
Loans and borrowings	5,002,075	4,545,084	411,957
Lease Liabilities	89,632	293,337	-
Accruals	1,068,650	-	-
Other payable	120,882	-	-
Trade payables	3,371,425	-	-
	9,652,664	4,251,747	411,957
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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

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.

	2024	2023
b) By category	£	£
Financial assets		
Cash and cash equivalents	1,739,020	1,551,272
Trade receivables	6,311,838	7,030,318
	8,050,858	8,581,590

	2024		2023	
	Financial liabilities at amortised cost	Financial liabilities at fair value	Financial liabilities at amortised cost	Financial liabilities at fair value
	£	£	£	£
Financial liabilities				
Trade payables	3,371,425	3,371,425	4,096,066	4,096,066
Accruals	1,068,650	1,068,650	988,217	988,217
Other payables	120,882	120,882	206,276	206,276
Loans from Group undertakings	3,640,752	3,317,002	2,828,699	2,828,699
Bank borrowings	6,318,364	5,895,988	5,123,061	4,854,424
Lease liabilities	382,969	312,970	219,236	218,351
	14,903,042	14,086,917	13,461,555	13,192,033

	2024	2023
b) Analysis of Fair values	£	£
Financial assets		
Cash and cash equivalents	1,739,020	1,551,272
Trade and other receivables	6,311,838	7,030,318
	8,050,858	8,581,590

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2024

21. Financial instruments – risk management (continued)

	2024		2023	
	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)	5,135,603	5,135,603	5,290,559	5,290,559
Loans from Group undertakings	3,640,752	3,317,002	2,828,699	2,375,030
Bank borrowings	6,318,364	5,895,988	5,123,061	4,854,424
Lease liabilities	382,969	312,970	219,236	218,351
	15,477,688	14,661,563	13,461,555	12,738,364

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:

	2024	2023
	£	£
Astral Limited	3,640,752	2,828,699

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

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 2024

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.










Bond IT FS MAR 24 Draft 9 - signing version

Final Audit Report

2024-05-13

Created:	2024-05-13
By:	Breandan Lundy (breandan.lundy@bdoni.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3utdw0SLA7V0-T763BLtUsgJfBZdl8hR

"Bond IT FS MAR 24 Draft 9 - signing version" History

-  Document created by Breandan Lundy (breandan.lundy@bdoni.com)
2024-05-13 - 08:32:47 GMT
-  Document emailed to deanmorgan@bonditgroup.com for signature
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2024-05-13 - 08:36:16 GMT
-  Signer deanmorgan@bonditgroup.com entered name at signing as Dean Morgan
2024-05-13 - 08:52:18 GMT
-  Document e-signed by Dean Morgan (deanmorgan@bonditgroup.com)
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-  Document emailed to Nigel Harra (nigel.harra@bdoni.com) for signature
2024-05-13 - 08:52:22 GMT
-  Email viewed by Nigel Harra (nigel.harra@bdoni.com)
2024-05-13 - 08:54:26 GMT
-  Document e-signed by Nigel Harra (nigel.harra@bdoni.com)
Signature Date: 2024-05-13 - 13:40:57 GMT - Time Source: server
-  Agreement completed.
2024-05-13 - 13:40:57 GMT

GEM PAINTS PRIVATE LIMITED

Financial Statements

FY 2023-24

2023-24

M/S. GEM PAINTS PRIVATE LIMITED

(Formerly Known as Esha Paints Private
Limited)

FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31.03.2024

Regd. Office: # 417/418, 11th Cross, 4th Phase,
Peenya Industrial Area, Bengaluru - 560 058.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)

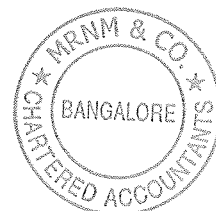
Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of **Gem Paints Private Limited** ("The Company") (Formerly known as Esha Paints Private Limited) which comprise the Balance Sheet as at 31st March 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as the "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2024 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.



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, financial statements and our auditor's report thereon.

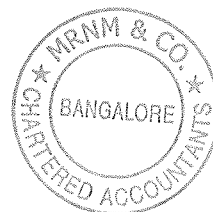
Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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



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

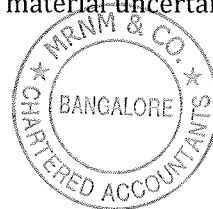
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists



related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

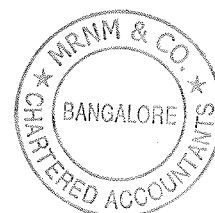
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

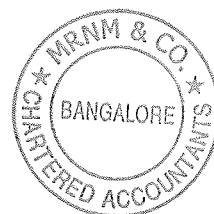
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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;



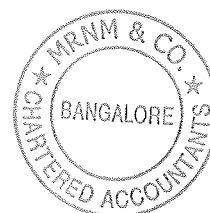
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 managerial 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 41 to the 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;

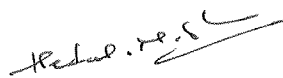
b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing 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.



- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S



Hetal N Shah

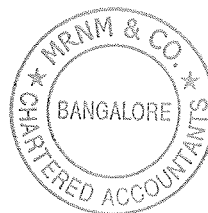
Partner

Membership No: 223229

UDIN: 24223229BKBOUZ5647

Place: Bengaluru

Date: 22-04-2024



"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 2024)

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.

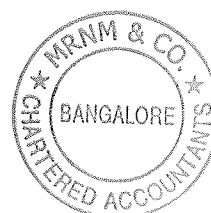
(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant & Equipment 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

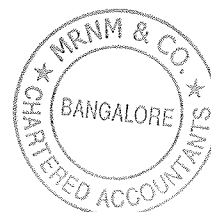
c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

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 and the coverage and procedure for such verification is appropriate. 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. According to the information and explanation given to us by the management, the company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership's, or any other parties. Hence para 3 (iii) of the order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.
- 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.

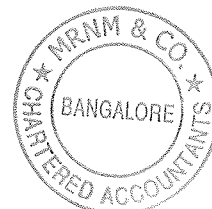
vii. a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities, including Goods and Service Tax, Provident Fund, Employees 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, 2024 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.

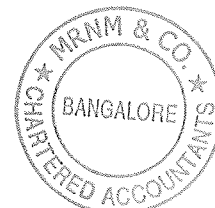
viii. Based on our audit procedures and on the information and explanations given by the management in our opinion that during the year, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under Income Tax act 1961.

ix. Based on our audit procedures and on the information and explanations given by the management we are of the opinion that

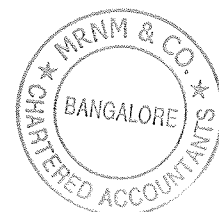
- a. The company has not defaulted in repayment of loans or borrowings to a financial institution, banks and in the payment of interest thereon to any lender.
- b. The company has not been declared willful defaulter by any bank or financial institution or other lender.
- c. The Company has applied term loans for the purpose for which the loans were obtained.
- d. On an overall examination of the 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.



- e. On an overall examination of the financial statements of the Company, the company has not taken any funds from any entity or person and the Company does not have Subsidiaries, associates or joint ventures; hence this clause is not applicable.
- f. The company has not raised loans during the year on the pledge of securities and the Company does not have subsidiaries, associates or joint ventures; hence this clause is not applicable.
- x. According to the records of the company and based upon the audit procedures performed,
 - a. 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 not made preferential or private placement of shares or convertible debentures (fully or partly or optionally)
- xi. 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 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 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 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. The company does not have obligations towards Corporate Social Responsibility as per the provisions of Section 135 of the Act. Hence, para 3 (xx) of the order is not applicable to the company.
- xxi. The company does not have any subsidiary, associate or joint venture and consolidation is not required is not required to be done. Therefore, para 3(xxi) of the order is not applicable to the company.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S



Hetal N Shah

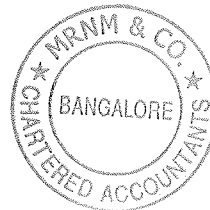
Partner

Membership No: 223229

UDIN: 24223229BKB0UZ5647

Place: Bengaluru

Date: 22-04-2024



"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 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, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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.

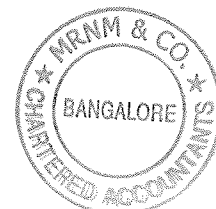
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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, 2024, 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

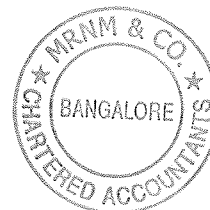
Partner

Membership No: 223229

UDIN: 24223229BKB0UZ5647

Place: Bengaluru

Date: 22-04-2024

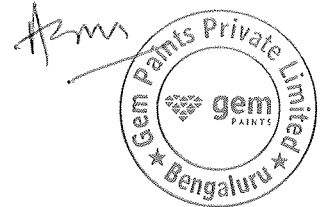
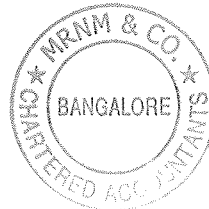


GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2024

(Rs. In Million)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023*
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	841.32	849.86
(b) Capital work-in-progress	3(E)	1.90	-
(c) Goodwill	3(B)	548.99	548.99
(d) Other Intangible assets	3(C)	1,320.85	1,585.24
(e) Right of use assets	3(D)	111.34	112.55
(f) Financial assets			
(i) Other financial assets	4	2.47	4.45
(g) Deferred tax assets (Net)	5	21.10	21.18
(h) Other non-current assets	6	2.82	4.74
Total non-current assets		2,850.81	3,127.03
Current assets			
(a) Inventories	7	369.02	352.14
(b) Financial assets			
(i) Trade receivables	8	421.46	479.13
(ii) Cash and cash equivalents	9	242.75	1,194.31
(iii) Other balances with banks	10	0.10	1,023.19
(iv) Loans	11	0.70	0.65
(v) Other financial assets	4	11.47	22.81
(c) Current tax assets (net)	12	84.76	69.20
(d) Other current assets	6	8.60	5.64
Total current assets		1,138.85	3,147.07
Total assets		3,989.66	6,274.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	3,800.00	3,800.00
(b) Other equity	14	(19.77)	(10.52)
Total equity		3,780.23	3,789.48
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	188.28
(b) Provisions	16	2.93	2.15
Total non-current liabilities		2.93	190.43



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2024

(Rs. In Million)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023*
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	1,982.65
(ii) Trade payables	17		
a total outstanding dues of micro enterprises and small enterprises		43.61	53.93
b total outstanding dues of creditors other than micro enterprises and small enterprises		112.49	104.86
(iii) Other financial liabilities	18	24.67	116.73
(b) Other current liabilities	19	24.24	26.67
(c) Provisions	16	1.50	9.34
Total current liabilities		206.51	2,294.19
Total liabilities		209.44	2,484.62
Total equity and liabilities		3,989.66	6,274.10

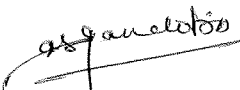
*Restated (Refer note 38)


See accompanying notes to the financial statements


As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)
CIN: U24222KA2022PTC160270

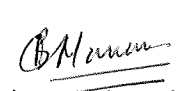
For **M R N M & CO**
Chartered Accountants
ICAI Firm Registration No : 013072S
Chartered Accountants

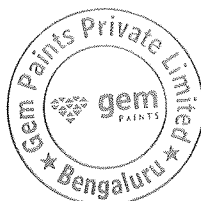

(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386


(Hetal N Shah)
Partner
Membership No : 223229

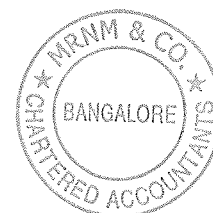

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary



Place : Bengaluru
Date : April 22, 2024

Place : Bengaluru
Date : April 22, 2024



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. In Million)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023*
Income			
Revenue from operations	20	1,851.30	2,157.61
Other income	21	49.80	9.09
Total		1,901.09	2,166.70
Expenses			
Cost of materials consumed	22	1,163.13	1,394.97
Purchase of stock-in-trade	23	16.99	-
Changes in inventories of finished goods, traded goods and work-in-progress	24	(79.75)	101.85
Employee benefits expense	25	249.20	180.21
Finance costs	26	14.20	20.73
Depreciation and amortization expense	27	311.59	303.45
Other expenses	28	235.78	194.11
Total		1,911.15	2,195.31
Profit / (Loss) before tax		(10.05)	(28.62)
Tax expense	29		
Current tax		-	-
Deferred tax		0.08	(19.02)
Total tax expense		0.08	(19.02)
Profit / (Loss) for the year		(10.13)	(9.60)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements gain/(loss) on defined benefit plans		0.88	(0.92)
Income Tax relating to items that will not be reclassified to profit or loss		(0.00)	0.00
Total other comprehensive income		0.88	(0.92)
Total comprehensive profit / (loss) for the period		(9.25)	(10.52)
Earnings per equity share (Face value of Re. 10/- each)	30		
- Basic (in Rs.)		(0.03)	(0.03)
- Diluted (in Rs.)		(0.03)	(0.03)

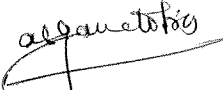
*Restated (Refer note 38)

See accompanying notes to the financial statements

As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)
CIN: U24222KA2022PTC160270

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

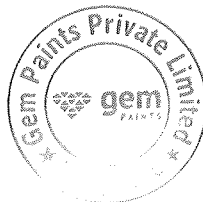

(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386

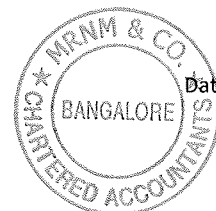

(Hetal N Shah)
Partner
Membership No : 223229


(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary



Place : Bengaluru
Date : April 22, 2024



Place : Bengaluru
Date : April 22, 2024

GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a Equity share capital (Note 13)

(Rs. In Million)	
Particulars	Amount
Balance as at April 1, 2022	-
Add: Shares issued during the year	0.10
Add: Shares issued pursuant to business combination (Note 38)	3,800.00
Less: Consequent to business combination (Note 38)	(0.10)
Balance as at March 31, 2023*	3,800.00
Add: Movement during the year	-
Balance as at March 31, 2024	3,800.00

b Other Equity (Note 14)

Particulars	(Rs. In Million)	
	Other equity Retained earnings	Total other equity
Balance as at April 1, 2022	-	-
Add: Profit / (Loss) for the year	(9.60)	(9.60)
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation net of income tax	(0.92)	(0.92)
Total comprehensive loss for the year	(10.52)	(10.52)
Balance as at March 31, 2023*	(10.52)	(10.52)
Add: Profit / (Loss) for the year	(10.13)	(10.13)
Add: Other comprehensive income / (loss) for the year, net of income tax	0.88	0.88
Total comprehensive loss for the year	(19.77)	(19.77)
Balance as at March 31, 2024	(19.77)	(19.77)

*Restated (Refer note 38)

See accompanying notes to the financial statements

As per report of even date

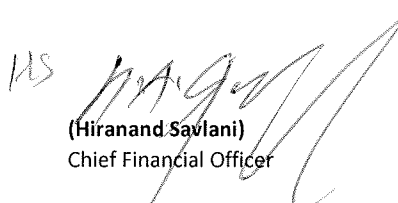
For and on behalf of the Board of Directors of
Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)
CIN: U24222KA2022PTC160270

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

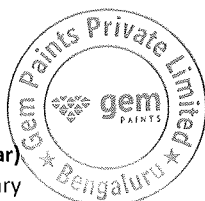

(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386


(Hetal N Shah)
Partner
Membership No : 223229


(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary



Place : Bengaluru
Date : April 22, 2024

Place : Bengaluru
Date : April 22, 2024



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

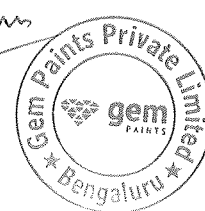
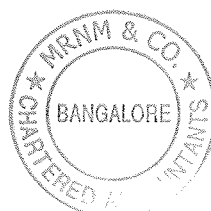
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Million)

Sr No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023*
A	Cash flows from Operating Activities		
	Profit / (Loss) before tax	(10.05)	(28.62)
	Adjustments for :		
	Depreciation and amortisation expense	311.59	303.45
	Finance costs	14.20	20.73
	Interest income	(3.46)	(1.61)
	Unrealised foreign exchange fluctuations	(0.01)	0.05
	Gain on Sale and purchase of mutual funds (net)	42.27	0.34
	(Profit)/Loss on sale of Property, Plant and Equipment (Net)	3.06	6.56
	Allowance for expected credit loss	26.70	24.37
	Bad-debts written off	0.01	1.55
	Credit balances written back	(2.10)	(0.97)
	Operating profit before Working Capital Changes	382.22	325.84
	Changes in working capital :		
	(Increase)/Decrease in Inventories	(16.88)	155.85
	(Increase)/Decrease in Trade receivables, financial assets and other assets	24.08	69.66
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	(89.41)	(38.46)
	Cash generated from operations	300.01	512.88
	Income taxes paid (net of refunds)	(15.56)	(66.66)
	Net cash generated from /(used in) Operating Activities [A]	284.45	446.23
B	Cash flows from investing activities		
	Payment for purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(53.82)	(92.56)
	Proceeds from Sale of property, plant and equipment	3.73	1.45
	(Increase)/Decrease in other balances with banks	1,023.09	(1,006.72)
	Interest Received / (paid)	20.23	(15.16)
	Gain on Sale and purchase of mutual funds (net)	(42.27)	(0.34)
	Proceeds/(Investment) made in Debentures/Others	-	0.04
	Net Cash flow generated from /(used in) Investing Activities [B]	950.96	(1,113.28)
C	Cash flow from Financing Activities		
	Finance Cost paid	(15.99)	(20.07)
	Proceeds from Long Term Borrowings	-	20.00
	Repayment of Long Term Borrowings	(230.93)	(39.27)
	Loans (given) / repayment received	(0.05)	0.10
	Proceeds / (Repayment) from Optionally convertible debenture	(1,940.00)	1,940.00
	Proceeds / (Repayment) from Short Term Borrowings	-	(55.73)
	Net Cash flow generated from /(used in) used in Financing Activities [C]	(2,186.97)	1,845.04
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	(951.56)	1,177.98
	Cash and cash equivalents at the beginning of the year	1,194.31	-
	Cash and cash equivalents acquired from business combination (Note 38)	-	16.32
	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 9)	242.75	1,194.31

*Restated (Refer note 38)

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
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Changes in liabilities arising from financing activities

(Rs. in Million)

Particulars	Non-current borrowings**	Current borrowings	Total
Balance as at April 1, 2022	-	-	-
On account of business combination (Note 38)	250.20	55.73	305.93
Cash flows	(19.27)	1,884.27	1,865.00
Balance as at March 31, 2023*	230.93	1,940.00	2,170.93
Cash flows	(230.93)	(1,940.00)	(2,170.93)
Balance as at March 31, 2024	-	-	-

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

*Restated (Refer note 38)

See accompanying notes to the financial statements


As per report of even date

For and on behalf of the Board of Directors of
Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)


CIN: U24222KA2022PTC160270

For M R N M & CO
Chartered Accountants

ICAI Firm Registration No : 013072S

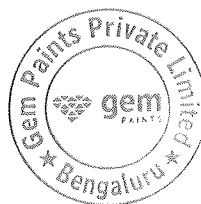

(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386


(Hetal N Shah)
Partner
Membership No : 223229

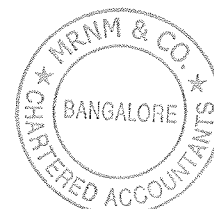

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary



Place: Bengaluru
Date : April 22, 2024

Place : Bengaluru
Date : April 22, 2024



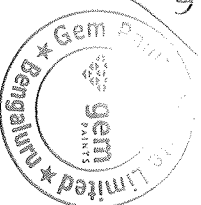
GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3 PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, RIGHT OF USE ASSETS AND CAPITAL WORK IN PROGRESS (CWIP)

(Rs. in million)

Sr. No.	Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION AND AMORTISATION			NET CARRYING AMOUNT		
		As At April 1, 2023	On account of Business Combination (Note 38)	Additions	Disposals/ Adjustments	As At March 31, 2024	As At April 1, 2023	For the year	Disposals/ Adjustments	As At March 31, 2024	As At March 31, 2023
A PROPERTY, PLANT AND EQUIPMENT											
1	Land	264.06	-	-	-	264.06	-	-	-	264.06	264.06
		-	264.06	-	-	264.06	-	-	-	264.06	-
2	Building	265.85	-	-	-	265.85	9.49	9.98	-	19.48	246.37
		-	245.15	20.70	-	265.85	-	9.49	-	9.49	256.35
3	Plant & Machinery	287.77	-	19.22	-	306.99	23.64	24.81	-	48.46	258.53
		-	258.41	29.36	-	287.77	-	23.64	-	23.64	264.12
4	Furniture and Fixtures	41.60	-	19.76	-	61.35	2.14	5.41	-	7.56	53.80
		-	5.97	35.70	0.07	41.60	-	2.14	-	2.14	39.45
5	Vehicles	15.24	-	-	8.73	6.51	1.96	1.76	1.94	1.78	4.72
		-	10.98	4.50	0.24	15.24	-	1.96	-	1.96	13.28
6	Computers and Office Equipments	14.16	-	5.27	-	19.43	1.57	4.03	-	5.60	13.84
		-	3.70	10.70	0.24	14.16	-	1.57	-	1.57	12.59
	Total	888.67	-	44.25	8.73	924.19	38.81	46.00	1.94	82.87	841.32
		-	788.27	100.95	0.55	888.67	-	38.81	-	38.81	849.86
B GOODWILL											
1	Goodwill	548.99	-	-	-	548.99	-	-	-	-	548.99
		-	548.99	-	-	548.99	-	-	-	-	-
	Total	548.99	-	-	-	548.99	-	-	-	-	548.99
		-	548.99	-	-	548.99	-	-	-	-	548.99
C OTHER INTANGIBLE ASSETS											
1	Computer Software	4.97	-	4.97	-	4.97	0.05	0.99	-	1.04	3.93
		-	-	-	-	4.97	-	0.05	-	0.05	4.93
2	Brands	1,316.75	-	-	-	1,316.75	188.11	188.11	-	376.21	940.54
		-	1,316.75	-	-	1,316.75	-	188.11	-	188.11	1,128.64
3	Distribution Network	526.85	-	-	-	526.85	75.26	75.26	-	150.53	376.32
		-	526.85	-	-	526.85	-	75.26	-	75.26	451.59
4	Trade Mark	0.10	-	0.10	-	0.10	0.02	0.02	-	0.04	0.06
		-	-	-	-	0.10	-	0.02	-	0.02	0.08
	Total	1,848.67	-	-	-	1,848.67	263.43	264.39	-	527.82	1,320.85
		-	1,843.60	5.07	-	1,848.67	-	263.43	-	263.43	1,585.24



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3 PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, RIGHT OF USE ASSETS AND CAPITAL WORK IN PROGRESS (CWIP)

GROSS CARRYING AMOUNT													ACCUMULATED DEPRECIATION AND AMORTISATION				NET CARRYING AMOUNT	
Sr. No.	Assets	On account of		Additions	Disposals/ Adjustments	As At March 31, 2024	As At April 1, 2023	For the year	Disposals/ Adjustments	As At March 31, 2024	As At March 31, 2024	As At March 31, 2023						
		As At April 1, 2023	Business Combination (Note 38)															
D	RIGHT OF USE ASSETS																	
1	Leasehold Land	113.76	-	-	-	113.76	1.21	1.21	-	2.41	111.34	112.55						
		-	113.76	-	-	113.76	-	1.21	-	1.21	112.55	-						
	Total	113.76	-	-	-	113.76	1.21	1.21	-	2.41	111.34	112.55						
		-	113.76	-	-	113.76	-	1.21	-	1.21	112.55							

(Rs. in million)

E CAPITAL WORK IN PROGRESS (CWIP) AGEING SCHEDULE:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	1.90	-	-	-	1.90
Total	1.90	-	-	-	1.90
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Note 1: Figure in bold are of current year and in italics are of the previous years.



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GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

4 OTHER FINANCIAL ASSETS

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
(Unsecured, considered good)		
Security deposits	2.47	4.45
Total	2.47	4.45
Current		
(Unsecured, considered good)		
Security deposits	7.91	6.04
Employee Gratuity Fund (net)	3.55	-
Interest accrued on loans and deposits from others	-	16.76
Total	11.47	22.81

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

5 DEFERRED TAX ASSETS (NET)

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets (Net)	21.10	21.18
Total	21.10	21.18

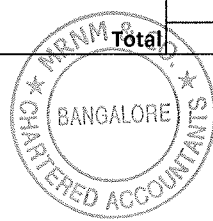
Deferred tax liabilities/(assets) in relation to :

(Rs. In Million)				
Sr	Particulars	As at April 1, 2023	Recognised in Profit and Loss statement	As at March 31, 2024
a	Depreciation and Amortisation	31.36	0.61	31.97
b	Provision For doubtful trade receivable	(10.22)	(6.72)	(16.94)
c	Disallowances under section 43B of the Income Tax Act, 1961 and others	(42.33)	6.19	(36.14)
	Deferred tax Liabilities / (Assets)	(21.18)	0.08	(21.10)

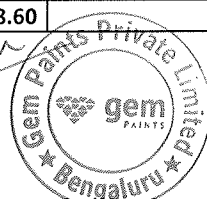
(Rs. In Million)					
Sr	Particulars	As at April 1, 2022	Acquired on account of Business Combination (Note 38)	Recognised in Profit and Loss statement	As at March 31, 2023
a	Depreciation and Amortisation	-	7.87	23.49	31.36
b	Provision For doubtful trade receivable	-	(4.09)	(6.13)	(10.22)
c	Disallowances under section 43B of the	-	(5.59)	(36.74)	(42.33)
d	Others adjustments	-	(0.35)	0.35	-
	Deferred tax Liabilities / (Assets)	-	(2.16)	(19.02)	(21.18)

6 OTHER ASSETS

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital Advances	0.00	2.40
Prepaid Expenses	2.82	2.34
Total	2.82	4.74
Current		
Prepaid Expenses	3.85	3.98
Balances with Government authorities	0.19	-
Advances to Suppliers	4.56	1.66
Total	8.60	5.64



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GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	100.86	170.29
Work-in-Progress	29.40	-
Stock In Trade	5.84	-
Finished Goods	211.46	166.96
Packing Materials	14.16	14.89
Stores, Spares and Consumables	7.30	-
Total	369.02	352.14

8 TRADE RECEIVABLES

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good	421.46	479.13
Unsecured, considered doubtful	67.30	40.60
Less : Allowance for doubtful debts (expected credit loss allowance)	(67.30)	(40.60)
Total	421.46	479.13

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

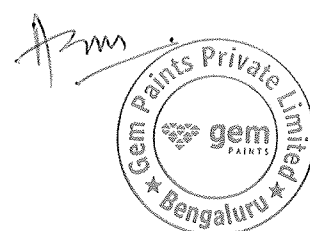
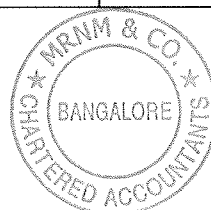
Break-up of trade receivables

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from other than related parties	421.46	479.08
Receivables from related parties (refer note 35)	0.00	0.05
Total	421.46	479.13

Notes :

- The credit period ranges upto 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 Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	40.60	-
Add : Movement during the year	26.70	40.60
Balance at the end of the year	67.30	40.60



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

9 CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	0.27	0.79
Balances with Banks in current accounts	60.95	50.95
Investment in mutual funds	181.53	370.57
In deposit accounts (with original maturity less than 3 months)	-	772.00
Total	242.75	1,194.31

10 OTHER BALANCES WITH BANKS

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
In deposit accounts (with maturity less than 12 months from the balance sheet date)	0.10	1,023.19
Total	0.10	1,023.19

11 LOANS

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current (Unsecured, considered good)		
Loans and Advances to Employees	0.70	0.65
Total	0.70	0.65

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

12 TAX ASSETS

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Income tax receivable (net of tax liabilities)	84.76	69.20
Total	84.76	69.20

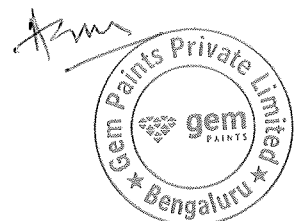
13 EQUITY SHARE CAPITAL

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital 38,00,00,000 (Previous year: 38,00,00,000) Equity shares of Rs. 10/- each	3,800.00	3,800.00
Issued, Subscribed & Fully Paid Share Capital 38,00,00,000 (Previous year: 38,00,00,000) Equity shares of Rs. 10/- each	3,800.00	3,800.00
Total	3,800.00	3,800.00

a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shares having value of Rs. 10 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.



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

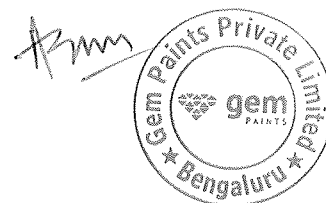
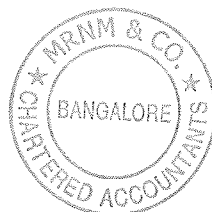
Particulars	No. of Shares	Rs in Million
Balance as at April 1, 2022	-	-
Add: Shares issued during the year	10,000	0.10
Add: Shares issued pursuant to business combination (Note 38)	38,00,00,000	3,800.00
Less: Consequent to business combination (Note 38)	(10,000)	(0.10)
Balance as at March 31, 2023	38,00,00,000	3,800.00
Add: Shares issued during the year	-	-
Balance as at March 31, 2024	38,00,00,000	3,800.00

Note 1: 38,00,00,000 Equity Shares of Rs. 10 each have been allotted as fully paid pursuant to the Scheme of arrangement (Note 38).

Note 2: No shares were allotted as bonus shares since incorporation of the Company.

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

Name of Shareholders	As at March 31, 2024	As at March 31, 2023
Astral Limited (Holding Company)		
No. of Shares	30,39,99,998	0
% of Shares Held	80.00	-
Anand Gandotra		
No. of Shares	4,74,93,128	18,51,14,910
% of Shares Held	12.50	48.71
Nitin Gandotra		
No. of Shares	1,90,06,840	1,90,06,840
% of Shares Held	5.00	5.00
Pratibha Gandotra		
No. of Shares	56,99,968	9,16,46,272
% of Shares Held	1.50	24.12
Ashwani Gandotra		
No. of Shares	38,00,064	2,72,25,100
% of Shares Held	1.00	7.16
Nalin Gandotra		
No. of Shares	0	3,80,00,000
% of Shares Held	-	10.00
Payal Suvrat Thatte		
No. of Shares	0	1,90,06,840
% of Shares Held	-	5.00



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2024			
Astral Limited	30,39,99,998	80.00	NA
Anand Gandotra	4,74,93,128	12.50	(0.74)
Nitin Gandotra	1,90,06,840	5.00	-
Pratibha Gandotra	56,99,968	1.50	(0.94)
Ashwani Gandotra	38,00,064	1.00	(0.86)
Sandeep Engineer	1	0.00	NA
Jagruti Engineer	1	0.00	NA
As at March 31, 2023			
Anand Gandotra	18,51,14,910	48.71	NA
Nitin Gandotra	1,90,06,840	5.00	NA
Pratibha Gandotra	9,16,46,272	24.12	NA
Ashwani Gandotra	2,72,25,100	7.16	NA
Nalin Gandotra	3,80,00,000	10.00	NA
Roshini Udaya Shetty	38	0.00	NA
Payal Suvrat Thatte	1,90,06,840	5.00	NA

14 OTHER EQUITY

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance at the beginning of the year	(10.52)	-
Add : Profit / (Loss) For the year	(10.13)	(9.60)
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	0.88	(0.92)
Total	(19.77)	(10.52)

Notes

a Nature and Purpose of reserve

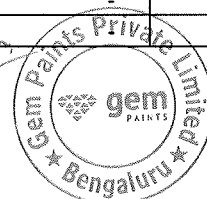
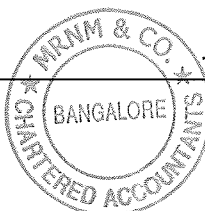
Retained earnings

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

15 BORROWINGS

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured - at amortised cost		
Term Loans From Banks	-	230.93
Less : Current maturities of long term loans	-	42.65
Total	-	188.28
Current		
Secured - at amortised cost		
Working capital loan	-	-
Current maturities of long term loans	-	42.65
	-	42.65
Unsecured - at amortised cost		
0.0001% Optionally Convertible Debentures (OCDs)	-	1,940.00
	-	1,940.00
Total	-	1,982.65



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note

- a) Refer Note 37 for information about liquidity risk.
- b) Term Loans were 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) . Rate of interest for Term Loans were ranges from 7 to 8.9%.
During the year, company has repaid the total amount of outstanding term loans.
- c) Optionally Convertible Debentures (OCDs):
NCLT vide its Order dated July 17, 2023, sanctioned the Scheme whereby the Operating Paints Business of erstwhile Gem Paints Private Limited (or the demerged Company) was transferred to its newly incorporated subsidiary, namely, Esha Paints Private Limited, (Resultant Company) with the appointed date April 1, 2022, which was filed with Registrar of Companies on August 1, 2023. In accordance with the scheme of Arrangement, the name of Esha Paints Private Limited was changed to Gem Paints Private Limited and fresh certificate of incorporation was issued by the Registrar of Companies on August 17, 2023.

Further to the control over the Board of Resultant Company since April 1, 2022, during the year, the Holding Company completed the acquisition of 80% equity shares of Resultant Company. 51% against redemption of Optionally Convertible Debentures subscribed on April 1, 2022, towards First Tranche Acquisition and 29% equity shares of Resultant Company towards Second Tranche Acquisition. Accordingly, Optionally Convertible Debentures have been redeemed during the current year

16 PROVISIONS

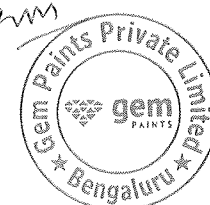
(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for Employee Benefits (refer note 32)	2.93	2.15
Total	2.93	2.15
Current		
Provision for Employee Benefits (refer note 32)	1.50	9.34
Total	1.50	9.34

17 TRADE PAYABLES

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Total outstanding dues of micro enterprises and small enterprises (Note a & d)	43.61	53.93
Total	43.61	53.93
total outstanding dues of creditors other than micro enterprises and small enterprises	112.49	104.86
Total	112.49	104.86

Note

- a Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.
- b Refer Note 37 for information about credit risk, market risk and liquidity risk of Trade payables.



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

d DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

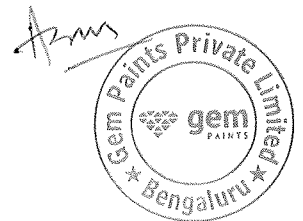
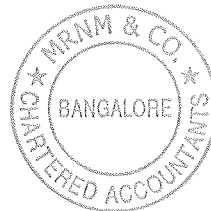
(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	43.61	53.93
Interest due on above	-	-
Interest paid by the Company 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	-	-
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	-	-

18 OTHER FINANCIAL LIABILITIES

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Interest accrued but not due on borrowings	-	1.79
Payable for capital goods	1.23	11.30
Others	23.44	103.64
Total	24.67	116.73

19 OTHER CURRENT LIABILITIES

(Rs. In Million)		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory dues	23.35	23.89
Advance received from customers	0.89	2.78
Total	24.24	26.67



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

20 REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	1,848.92	2,157.61
Other operating revenues	2.38	-
Total	1,851.30	2,157.61

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 8 and 19 respectively.

21 OTHER INCOME

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income comprises		
From Banks	3.36	0.72
From Others	0.10	0.89
Profit on Sale of Current Investments (Net)	42.27	0.34
Foreign exchange gains (Net)	0.57	-
Miscellaneous Income	3.49	7.14
Total	49.80	9.09

22 COST OF MATERIALS CONSUMED

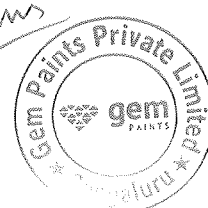
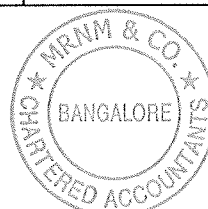
(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of Raw Material:		
Inventories at the beginning of the year	170.29	-
Add : Acquired from business combination (Note 38)	-	213.36
Add : Purchases	931.67	1,160.27
Less : Inventories at the end of the year	100.86	170.29
Total [A]	1,001.10	1,203.34
Consumption of Packing Material:		
Inventories at the beginning of the year	14.89	-
Add : Acquired from business combination (Note 38)	-	25.82
Add : Purchases	161.30	180.71
Less : Inventories at the end of the year	14.16	14.89
Total [B]	162.03	191.63
Total [A]+[B]	1,163.13	1,394.97

23 PURCHASE OF STOCK-IN-TRADE

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of trading material	16.99	-
Total	16.99	-



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year		
Finished Goods	211.46	166.96
Work-in-progress	29.40	-
Stock In Trade	5.84	-
	246.71	166.96
Inventories at the beginning of the year		
Finished Goods	166.96	-
	166.96	-
Inventories acquired from business combination (refer note 38)		
Finished Goods	-	268.81
	-	268.81
Net (Increase) / Decrease	(79.75)	101.85

25 EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	222.98	160.25
Contribution to Provident and Other Funds (refer note 32)	9.63	9.56
Staff Welfare Expenses	16.60	10.40
Total	249.20	180.21

26 FINANCE COSTS

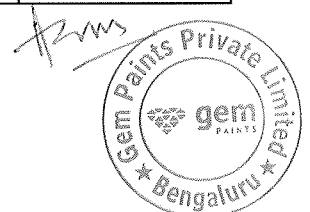
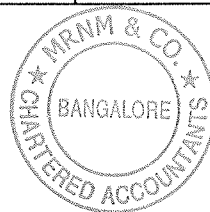
(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense		
Working capital and term loans	13.88	20.09
Others	0.28	0.64
Other borrowing costs	0.03	-
Total	14.20	20.73

27 DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, Plant and Equipment (Note 3 (A))	46.00	38.81
Amortisation on Intangible assets (Note 3 (C))	264.39	263.43
Amortisation on Right of use assets (Note 3 (D))	1.21	1.21
Total	311.59	303.45



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

28 OTHER EXPENSES

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of Stores, Spares and Packing Materials	6.28	5.21
Power and Fuel	12.95	14.76
Rent (refer note 36)	17.07	14.10
Repairs expenses	11.73	12.43
Insurance expenses	4.09	3.35
Rates and Taxes	2.13	3.81
Communication expenses	3.65	1.81
Travelling expenses	23.97	19.74
Factory and Other expenses	2.40	1.65
Printing and stationary expenses	1.79	1.81
Freight and Forwarding	38.53	29.25
Sales Promotions	12.00	14.51
Directors Sitting Fees (Note 35)	0.27	-
Donations and Contributions	0.00	0.01
Expenditure on Corporate Social Responsibility (refer note 33)	-	5.60
Security Service Charges	9.78	9.47
Legal and Professional	47.00	7.19
Payments to Auditors **	1.50	1.30
Provision for Doubtful Trade Receivables	26.70	24.37
Net Loss on Foreign Currency transactions and translations	-	0.70
Loss on Sale of Property, plant and equipment (Net)	3.06	6.56
Other Expenses	10.88	16.48
Total	235.78	194.11

****PAYMENT TO AUDITORS (EXCLUDING GST)**

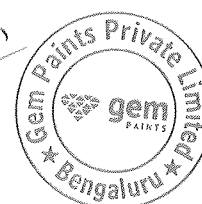
(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
For statutory audit and certification charges	1.50	1.30

29 TAX EXPENSES

(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
In respect of the current year	-	4.48
In respect of earlier years	-	(4.48)
	-	-
Deferred tax		
In respect of the current year	0.08	(19.02)
Total	0.08	(19.02)



GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 :

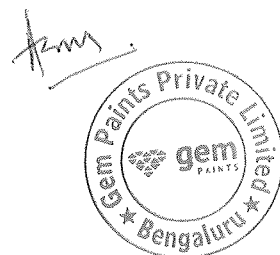
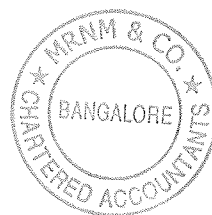
(Rs. In Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) before tax	(10.05)	(28.62)
Income tax expense @25.168%	(2.53)	(7.20)
Tax effect of the amounts which are not deductible / (taxable) in calculating		
Effect of allowances and others	2.61	(7.34)
Total	0.08	(14.54)
Adjustments in respect of current income tax of previous year	-	(4.48)
Tax expense as per Statement of Profit and Loss	0.08	(19.02)

The Company's weighted average tax rates for the period ended March 31, 2024 and March 31, 2023 is -0.77% and 50.80% respectively.

30 EARNINGS / (LOSS) PER SHARE

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) for the year attributable to owners of the Parent Company (Rs. In Million)	(10.13)	(9.60)
Weighted average number of equity shares for Basic EPS	38,00,00,000	38,00,00,000
Add : Effects of dilutive shares	-	-
Weighted average number of equity shares for Diluted EPS	38,00,00,000	38,00,00,000
Nominal Value per share (Rs.)	10	10
Basic Earnings / (Loss) Per Share (In Rs.)	(0.03)	(0.03)
Diluted Earnings / (Loss) Per Share (In Rs.)	(0.03)	(0.03)



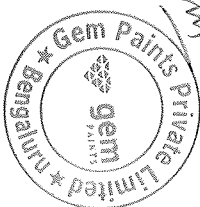
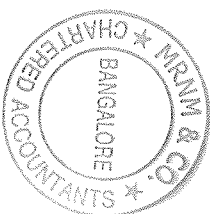
GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2024							
Undisputed Trade Receivables – considered good	339.53	81.93	-	-	-	-	421.46
Undisputed Trade receivable – credit impaired	-	1.81	5.53	23.15	10.25	26.57	67.30
Total	339.53	83.73	5.53	23.15	10.25	26.57	488.76
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



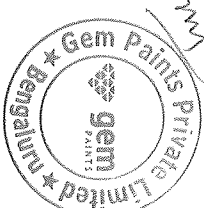
GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

c. 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, 2024							
Total outstanding dues of micro enterprises and small enterprises	-	43.61	-	-	-	-	43.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	22.74	85.92	3.73	0.01	0.01	0.08	112.49
Total	22.74	129.53	3.73	0.01	0.01	0.08	156.10
As at March 31, 2023							
Total outstanding dues of micro enterprises and small enterprises	-	53.93	-	-	-	-	53.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	19.94	68.90	15.84	0.03	0.08	0.08	104.87
Total	19.94	122.84	15.84	0.03	0.08	0.08	158.80

(Rs. In Million)



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. COMPANY OVERVIEW

Gem Paints Private Limited (formerly known as Esha Paints Private Limited) (CIN: U24222KA2022PTC160270) ("the Company"), was incorporated on April 20, 2022 under the Companies act 2013. The Company is incorporated under the provision of Companies Act applicable in India. The registered office of the Company is located at No 417/418, 11th cross, 4th Phase Peenya Industrial Area, Bengaluru Karnataka -560 058.

The operating business of the Company is manufacturing, selling and distribution of Paints, Varnishes, coatings, products related to home décor, industrial paints etc. The Company is a subsidiary company of the Astral Limited.

The financial statements were approved for issue in accordance with a resolution of the board of directors on April 22, 2024.

2. MATERIAL 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), as applicable to financial statement. All accounting policies are consistently applied. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

These financial statements are prepared under the accrual basis and historical cost measurement, except for certain financial instruments (refer accounting policy on financial instruments), which are measured at fair values. The financial statements provide comparative information in respect of the previous period. The financial statements are presented in Indian National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the million (INR 0,00,000), except where otherwise indicated.

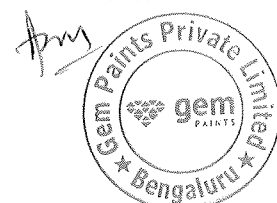
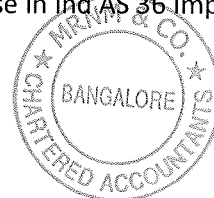
b) Fair value:

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 leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair valued such as net realizable value in Ind AS 2 or value in use in Ind AS 36 Impairment of assets.



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

c) 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.

d) Inventories

Inventories are stated at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing the inventories to their present location and condition. Raw materials, Stock in Trade, Stores, Spares and Packing materials are valued on weighted average costs. Finished goods and work in progress, are valued at weighted average cost which includes an appropriate share of production overheads based on normal operating capacity.

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

e) Cash and cash equivalents

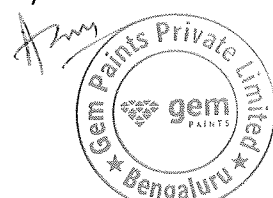
Cash and Cash equivalents consists of cash in hand and at bank and all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase.

f) 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.



GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Variable consideration

Variable consideration includes discounts, rebates and other scheme benefits. 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 recognised 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.

g) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties, freight, installation cost, and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

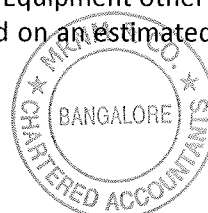
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All the directly attributable expenditure related to construction including incidental expenditure incurred during the period of construction of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item 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

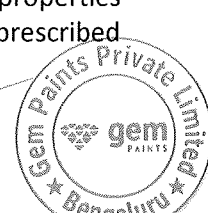
or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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.



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GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

h) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is 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 de-recognised.

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 except assets like Brand, Distribution Network which is amortised over 7 years since as per the management assessment benefits will be available for that period.

i) Leases

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

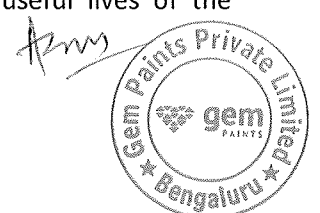
Company as a lessee

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

- **Right-of-use assets**

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

Depreciation on leasehold lands is charged over a lease period. Depreciation on all leasehold improvements is provided over the remaining lease period or over the useful lives of the respective fixed assets, whichever is shorter.



GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. Lease payments are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

- **Short-term leases and leases of low-value assets**

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

Company as a lessor

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

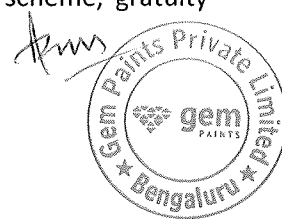
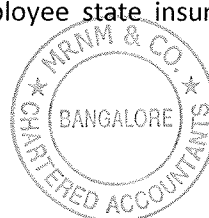
j) Foreign Currencies

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

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

k) Employee Benefits

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



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Defined Contribution Plan:

The Company's contribution to provident fund, pension fund and ESIC are considered as defined contribution plans and is 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:

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

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

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

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

Short-term employee benefits:

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

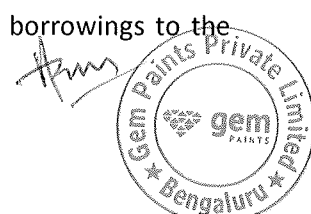
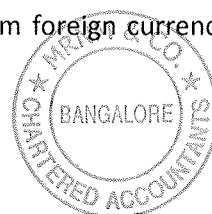
Long-term employee benefits:

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

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date and vis-a-versa it is presented as non-current liabilities.

I) Borrowing costs

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



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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.

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

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

m) Earnings per share

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

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

n) Taxation

Tax expense comprises current tax expense and deferred tax.

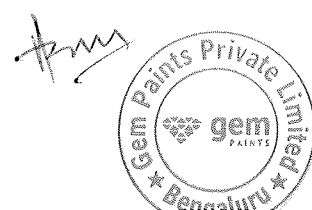
Current Tax

The tax currently payable is based on taxable profit for the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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



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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

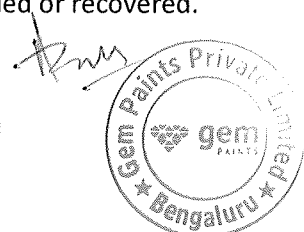
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



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o) 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 liability

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

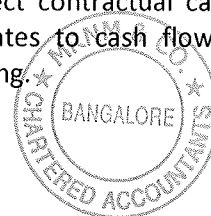
Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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 except contract balances i.e Trade receivables which is measured at transaction price. 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.



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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 assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial liabilities

Financial liabilities are subsequently 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 realize the assets and settle the liabilities simultaneously.

q) Impairment

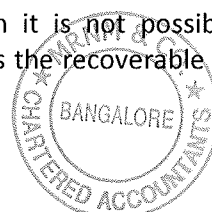
Financial assets (other than at fair value)

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

Non-financial assets

Property, Plant and Equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash



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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 Company of cash generating unit for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

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.

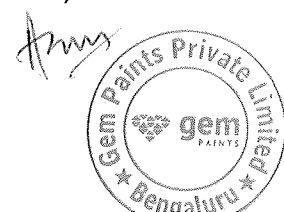
r) Business combinations and goodwill

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 in the periods in which the costs are incurred and the services are received.

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:

- 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.

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.



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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. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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 year from the acquisition date.

Common control business combination:

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory and are accounted for using the pooling of interests method as follows:

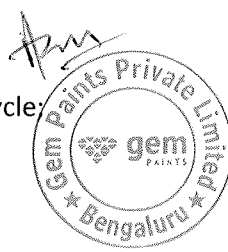
- The assets and liabilities of the combining entities are reflected at their carrying amounts included in the Company's financial statements.
- No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

s) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle:



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- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

t) Critical accounting judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

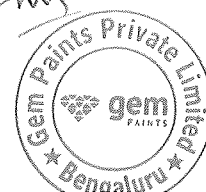
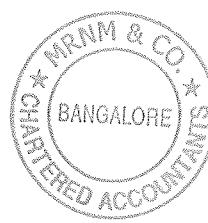
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial year.

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

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

ii. Provisions and Contingent Liabilities

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



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iii. Impairment of Goodwill

The Company tests whether goodwill has suffered any impairment on an annual basis. For the current and previous financial year, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use 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.

iv. Defined benefit obligation:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Discount, Incentives & Rebates

Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales. These discounts, incentives, rebates etc. are given on monthly, quarterly and annual basis based on target achievement by the customers. Estimation is involved during the financial year until the end of reporting year. At reporting year end date, since the targets are already achieved, no significant element of estimation are present.

u) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

i. Definition of Accounting Estimates - Amendments to Ind AS 8

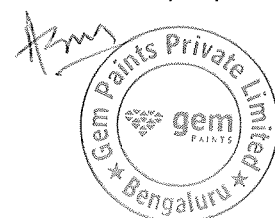
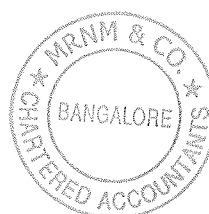
The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments do not have any impact on the Company's financial statements.

ii. Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.



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iii. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

There is no impact of these amendments in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.



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31. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Million)			
Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
Contingent liabilities			
1	Disputed Income Tax/Central Excise/Sales Tax and PF demands*	-	-
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	0.32	21.82
2	Letters of Credits for Purchases	5.59	11.81

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

32. 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 25 Rs. 6.74 Million (Previous Year: Rs 5.84 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:

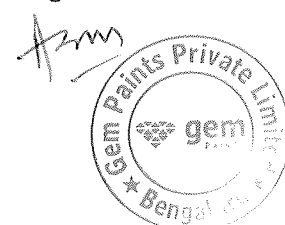
The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

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.



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If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

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

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

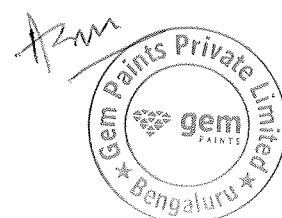
Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

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

Particulars	(Rs. In Million)	
	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Obligations at the beginning of the Year	32.91	-
Obligations acquired from business combination (Note 38)	-	29.43
Current service cost	2.21	1.85
Interest cost	2.44	1.68
Actuarial (gain) / loss – due to change in financial assumptions	0.35	(0.90)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (gain) / loss- due to experience adjustments	(1.10)	1.81
Benefits paid	(0.86)	(0.97)
Present value of benefit obligation at the end of the year	35.95	32.91

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

Particulars	(Rs. In Million)	
	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Plan assets at the beginning of the year, at fair value	24.50	-
Interest Income	1.82	-
Return on plant assets excluding interest income	0.13	-
Contributions from the employer	13.91	24.50
Benefits paid	(0.86)	-
Fair value of plan assets at the end of the year	39.50	24.50



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- 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, 2024	As at March 31, 2023
Present value of benefit obligation at the end of the year	35.95	32.91
Fair value of plan assets at the end of the year	39.50	24.50
Net (Asset) / liability arising from defined benefit obligation	(3.55)	8.41

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

(Rs. In Million)

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	2.21	1.85
Net Interest expense	0.62	1.68
Components of defined benefit costs recognised in the Statement of Profit and Loss	2.83	3.53
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the year	(0.75)	0.92
Return on plan assets, excluding interest income	(0.13)	-
Components of defined benefit costs recognised in Other Comprehensive Income	(0.88)	0.92
Total	1.95	4.45

- 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.

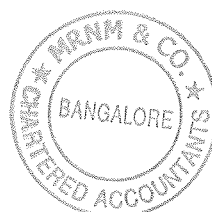
- f) The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(Rs. In Million)

Particulars	As at March 31, 2024	As at March 31, 2023
1st Following Year	9.17	9.52
2nd Following Year	4.21	2.57
3rd Following Year	2.19	4.04
4th Following Year	2.91	1.90
5th Following Year	3.56	2.47
Sum of Years 6 To 10	14.32	12.78
Thereafter	20.64	18.85

- 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.



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(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Delta effect of +1% change in the rate of Discounting	(1.66)	(1.46)
Delta effect of -1% change in the rate of Discounting	1.87	1.64
Delta effect of +1% change in the rate of salary Increase	1.78	1.52
Delta effect of -1% change in the rate of salary increase	(1.62)	(1.39)
Delta effect of +1% change in the rate of employee turnover	0.03	0.08
Delta effect of -1% change in the rate of employee turnover	(0.04)	(0.10)

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.

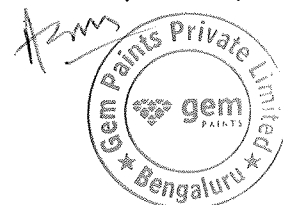
The Company expects to make a contribution of Rs. Nil (as at March 31, 2023: Rs. 6.26 Million) to the defined benefit plans during the next financial year.

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

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount Rate	7.21%	7.41%
Expected return on plan assets	7.21%	7.41%
Annual Increase in Salary Costs	7.00%	7.00%
Rate of Employee turnover	8.00%	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.

Note: In accordance with applicable Accounting Standard, erstwhile Company i.e Anabha Ventures Private Limited had not recognised provisions for Gratuity and Leave encasement during the financial year ended March 31, 2022. As a result of acquisition accounting specified in the scheme and fair value accounting, an amount of Rs. 32.69 million (Refer Note 38) has been recognized as a Provision for employee benefits. This provision will be included as part of the liabilities acquired in the previous year.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

33. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY:

(Rs. In Million)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a Gross amount required to be spent during the year		5.60
b Amount approved by the Board to be spent during the year		5.60
c Amount spent during the year		
l Construction/acquisition of any asset		2.20
i On purposes other than (i) above		3.40
d Details related to spent		
l Directly spent by the Company	REFER	2.83
i Contribution to Public Trust	NOTE	-
i Contribution to Charitable Trust	BELOW	2.77
i Contribution to a trust / section 8 company		-
v controlled by the company		
v Unspent amount in relation to:		
Ongoing project*		0.88
Other than ongoing project		-

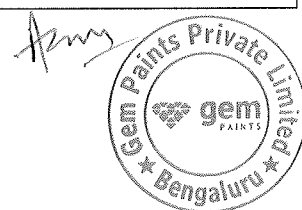
*Unspent amount in relation to ongoing project consist of advance already **paid** to vendors against which invoices are awaited.

Note:

Since the Company was incorporated on June 20, 2022 and in the previous year there was no profit reported by Company as per Section 198 of the Companies Act, 2013 for the period ended March 31, 2023 hence no amount was required to be spent on Corporate Social Responsibility.

34. 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Nil					



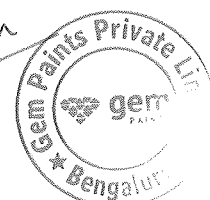
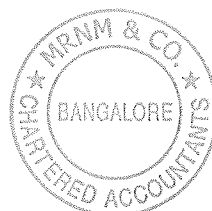
GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

35. 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. Enterprises over which Key Managerial Personnel are able to exercise significant influence	Kairamya Journeys LLP Anabha Ventures Private Limited (formerly known as Gem Paints Private Limited) L-91 Ayisra Tech Solutions LLP ASG Trust
c. Key Managerial Personnel & Directors	Anand Sarup Gandotra (Wholetime Director w.e.f. 01.09.2023) (Non Executive Non Independent Director upto 31.08.2023) Ashwani Gandotra (Wholetime director w.e.f. 01.09.2023) (Non Executive Non Independent Director upto 31.08.2023) Sandeep Praveenchandra Engineer (Non Executive Non Independent Director w.e.f. 21.06.2022) Saumya Sandeep Engineer (Non Executive Non Independent Director w.e.f. 21.06.2022) Kairav Sandeep Engineer (Non Executive Non Independent Director w.e.f. 21.06.2022) Girish Bhanubhai Joshi (Non Executive Non Independent Director w.e.f. 01.09.2023) Viral Maheshbhai Jhaveri (Non Executive Independent Director w.e.f. 01.09.2023) Kaushal Nakrani (Non Executive Independent Director w.e.f. 01.09.2023) Hiranand Asandas Savlani (CFO w.e.f. 01.09.2023) Manan Bhavsar (Company Secretary w.e.f. 01.09.2023)
d. Relatives of Key Managerial Personnel & Directors	Nitin Gandotra (Non Executive Non Independent Director up to 20.06.2022) Pratibha Gandotra (Non Executive Non Independent Director up to 20.06.2022) Nalin Gandotra (Non Executive Non Independent Director up to 20.06.2022) Payal Suvrat Thatte (Non Executive Non Independent Director up to 20.06.2022) Vandana Gandotra Aashna Gandotra



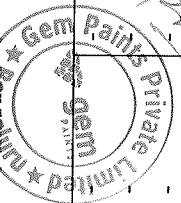
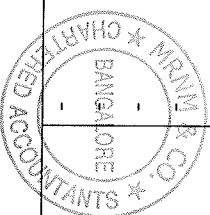
GEM PAINTS PRIVATE LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2024

(Rs. In Million)

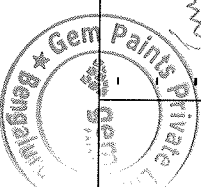
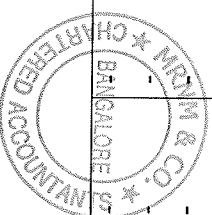
Particulars	Holding Company		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Transactions										
Amount paid for reimbursement of expenses/capital goods/capital services	48.96	18.76	0.66	-	-	-	-	-	49.62	18.76
<i>Astral Limited</i>	48.96	18.76	-	-	-	-	-	-	48.96	18.76
<i>Anbdha Ventures Private Limited</i>	-	-	0.66	-	-	-	-	-	0.66	-
Purchase of Goods/Service	19.13	6.85	71.69	10.90	-	-	-	-	90.82	17.75
<i>Astral Limited</i>	19.13	6.85	-	-	-	-	-	-	19.13	6.85
<i>Anbdha Ventures Private Limited</i>	-	-	61.99	-	-	-	-	-	61.99	-
<i>L91</i>	-	-	6.96	8.68	-	-	-	-	6.96	8.68
<i>Kairamya Journeys LLP</i>	-	-	2.71	2.19	-	-	-	-	2.71	2.19
<i>Others</i>	-	-	0.04	0.03	-	-	-	-	0.04	0.03
Payment for Brand usage charges	0.92	-	-	-	-	-	-	-	0.92	-
<i>Astral Limited</i>	0.92	-	-	-	-	-	-	-	0.92	-
Purchase of Intangible asset	-	-	-	-	-	-	-	-	-	0.10
<i>Anand Sarup Gandotra</i>	-	-	-	-	-	0.10	-	-	-	0.10
Sale of fixed asset	-	-	-	-	-	-	6.19	-	-	-
<i>Nalin Gandotra</i>	-	-	-	-	-	-	3.41	-	-	-
<i>Vandana Gandotra</i>	-	-	-	-	-	-	1.37	-	-	-
<i>Aashna Gandotra</i>	-	-	-	-	-	-	0.96	-	-	-
<i>Others</i>	-	-	-	-	-	-	0.46	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-
<i>Hiranand Savlani</i>	-	-	-	-	40.40	29.26	4.60	3.45	45.00	32.71
<i>Anand Sarup Gandotra</i>	-	-	-	-	20.00	-	-	-	20.00	-
<i>Ashwani Gandotra</i>	-	-	-	-	13.20	15.84	-	-	13.20	15.84
<i>Nitin Gandotra</i>	-	-	-	-	7.20	7.47	-	-	7.20	7.47
<i>Others</i>	-	-	-	-	-	1.64	4.60	3.45	4.60	5.09
	-	-	-	-	-	4.31	-	-	-	4.31



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Holding Company		Enterprises over which Key Managerial Personnel are able to exercise significant influence	Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2023-24	2022-23		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Repayment of rent deposit	-	-	-	0.05	-	-	-	-	0.05
ASG Trust	-	-	-	0.05	-	-	-	-	0.05
Sale of Goods	2.18	0.28	-	-	-	-	-	2.18	0.28
Astral Limited	2.18	0.28	-	-	-	-	-	2.18	0.28
Rent paid	-	-	0.83	-	-	-	-	0.83	-
Anabha Ventures Private Limited	-	-	0.83	-	-	-	-	0.83	-
Loan taken from	7.50	-	-	-	-	-	-	7.50	-
Astral Limited	7.50	-	-	-	-	-	-	7.50	-
Loan repaid to	7.50	-	-	-	-	-	-	7.50	-
Astral Limited	7.50	-	-	-	-	-	-	7.50	-
Interest expense	0.01	-	-	-	-	-	-	0.01	-
Astral Limited	0.01	-	-	-	-	-	-	0.01	-
Sitting fees	-	-	-	-	0.27	-	-	-	-
Viral Zaveri	-	-	-	-	0.14	-	-	-	-
Kaushal Nakrani	-	-	-	-	0.14	-	-	-	-
Balance	-	-	-	-	-	-	-	-	-
Payables	-	-	0.26	0.01	1.37	1.21	0.29	0.30	1.92
Anand Sarup Gandotra	-	-	-	-	0.74	0.80	-	-	0.74
Ashwani Gandotra	-	-	-	-	0.43	0.41	-	-	0.43
Nitin Gandotra	-	-	-	-	-	-	0.29	0.30	0.29
L91	-	-	0.21	-	-	-	-	-	0.21
Hiranand Savlani	-	-	-	-	0.20	-	-	-	0.20
Others	-	-	0.05	0.01	-	-	-	-	0.05
Receivables	-	-	0.00	0.05	-	-	-	-	0.05
Ayisra Tech Solutions LLP	-	-	-	0.05	-	-	-	-	0.05
Others	-	-	0.00	-	-	-	-	-	-



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Notes :

i. Compensation of key management personnel:

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

Particulars	(Rs. In Million)	
	Year ended March 31, 2024	Year ended March 31, 2023
Short term Benefits	40.40	29.26
Sitting fees	0.27	-

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. There were no outstanding loans or advances given to related parties, repayable on demand, as at March 31, 2024 and as at March 31, 2023.
- 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 year for bad or doubtful debts in respect of amounts owned by related parties.

36. 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.

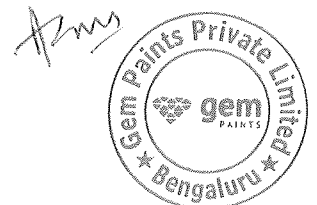
The carrying amounts of right-of-use assets along with their movement during the period is given in Note No. 3.

Expense relating to short-term leases are included in other expenses amounting to Rs. 17.07 million (Previous year: Rs. 14.10 million)

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 cancelable operating leases as a lessor.



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37 Financial instruments

1 Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 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, 2024	March 31, 2023
Debt (note i)	-	2,170.93
Less : Cash and cash equivalents	242.75	1,194.31
Net debt	-	976.62
Equity share capital	3,800.00	3,800.00
Other equity	(19.77)	(10.52)
Total equity excluding revaluation reserve	3,780.23	3,789.48
Net debt to equity ratio	-	0.26

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

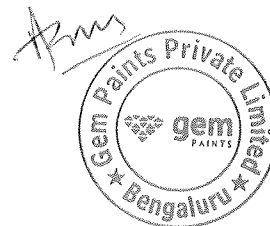
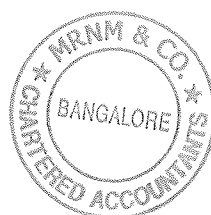
2 Category-wise classification of financial instruments

Particulars	(Rs. in Million)	
	As at	
	March 31, 2024	March 31, 2023
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents and other bank balances (Note 9 & 10)	242.85	2,217.51
b Financial assets (Note 4 & 8 & 11)	436.10	507.04
Total	678.95	2,724.55
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 15)	-	2,170.93
b Financial liabilities (Note 17 & 18)	180.77	275.53
Total	180.77	2,446.45

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

3 Financial risk management objectives

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



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

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board 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 Board of Directors.

A MANAGEMENT OF MARKET RISK

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

- currency risk;
- interest rate risk

i Currency risk

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

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

(In Million)		
Particulars	As at	
	March 31, 2024	March 31, 2023
Liabilities (Foreign currency)		
In US Dollars (USD)	0.03	0.08
Assets (Foreign currency)		
In US Dollars (USD)	-	0.29

(Rs. in Million)		
Particulars	As at	
	March 31, 2024	March 31, 2023
Liabilities (INR)		
In US Dollars (USD)	2.52	6.86
Assets (INR)		
In US Dollars (USD)	-	23.44

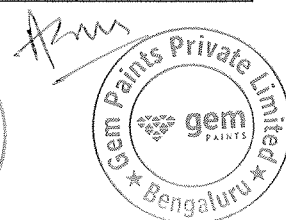
Foreign currency sensitivity analysis

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	As at
	March 31, 2024	March 31, 2023
Increase in exchange rate by 5%	(0.13)	0.83
Decrease in exchange rate by 5%	0.13	(0.83)



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, 2024	100 bps	-
As at March 31, 2023	100 bps	21.71

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

B MANAGEMENT OF CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 8 - Trade receivable).

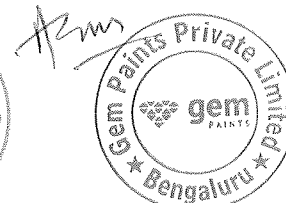
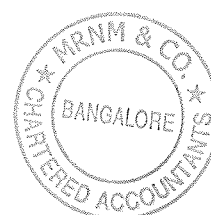
C MANAGEMENT OF LIQUIDITY RISK

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

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

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

(Rs. in Million)				
Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2024				
Non-derivative financial liabilities 				
Borrowings (Note 15)	-	-	-	-
Financial Liabilities (Note 17 & 18)	180.77	180.77	-	180.77
Total	180.77	180.77	-	180.77
As at March 31, 2023				
Non-derivative financial liabilities 				
Borrowings (Note 15)	2,170.93	42.65	2,128.28	2,170.93
Financial Liabilities (Note 17 & 18)	275.53	275.53	-	275.53
Total	2,446.45	318.18	2,128.28	2,446.45



**GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

38 BUSINESS COMBINATION: DEMERGER OF THE OPERATING PAINTS BUSINESS FROM THE DEMERGED COMPANY TO THE RESULTANT COMPANY NAMED GEM PAINTS PRIVATE LIMITED (FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

The Board of Directors of the Company at its meeting held on June 20, 2022 approved the scheme of demerger of operating business of Demerged Company i.e. Gem Paints Private Limited to the Resulting Company i.e. Gem Paints Private Limited (formerly known as Esha Paints Private Limited) with an appointed date of April 1, 2022, under section 230 to 232 (read with section 66) and other applicable provisions of the Companies Act, 2013

The scheme of demerger of operating business of Demerged Company to the Resulting Company, was approved by the Hon'ble National Company Law Tribunal ("NCLT") Bengaluru Bench vide its Order dated July 17, 2023. The Scheme was filed by the respective companies, with the Registrar of Companies on August 1, 2023. ("Effective Date").

Under the scheme, the name of Esha Paints Private Limited has been changed to Gem Paints Private Limited and fresh certificate of incorporation was issued by the Registrar of Companies on August 17, 2023.

Upon the coming into effect of the Scheme of arrangement from the appointed date being April 1, 2022, the Demerged Company's all business, activities and all the estates, assets, rights, title, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, entitlements, other intellectual property rights and interest, employees etc. which is pertaining to operating paints business of demerged Company for and on account of, and in trust for, transferred to the Resultant Company.

The management has determined this as a subsequent adjusting event and hence, the operating business of erstwhile Company have been demerged and form part of Resultant Company with effect from appointed date of April 1, 2022.

Details of entity under consideration for arrangement:

Name of the Demerged entity	% holding	Detail of activities	Relationship history
erstwhile Gem Paints Private Limited [Operating Paints Business] (Now known as Anabha Ventures Private Limited)	100%	Paints Business	Holding Company Before Demerger

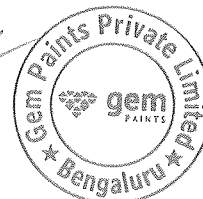
Accounting Treatment in the books of the Resulting Company (As defined in clause 17 of scheme of arrangement)

Based on the accounting prescribed in the NCLT Scheme which is in accordance with the accounting prescribed in Appendix C to Ind AS 103, the Company has applied the pooling of interest method to account for the merger since the combining entities are under common control, except for restating for comparative period (refer Note 2, Material accounting policies).

Based on the accounting prescribed in the NCLT Scheme which is in accordance with the "acquisition method" prescribed under the Indian Accounting Standard (Ind AS) 103 – 'Business Combinations' as notified under Section 133 of the Act read together with Paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015 - The operating paints business of the Demerged Company has been transferred to the Resultant company on a going concern basis. Tangible and Intangible assets such as Brand, Distribution Network etc. have been transferred at their respective fair value as determined by the independent value and the same have been recorded by the Resultant Company under the respective heads w.e.f. appointed date April 1, 2022.



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GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

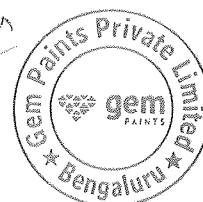
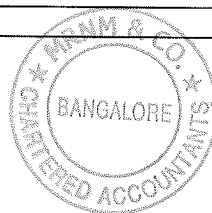
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Assets acquired and Liabilities assumed on acquisition date (at fair value)

		(Rs. In million)
		As at April 1, 2022
Particulars		
Property, plant and equipment		788.27
Intangible assets		1,843.60
Capital work-in-progress		16.11
Right of use assets		113.76
Financial assets		
Investments		0.04
Other financial assets		10.19
Deferred tax assets (Net)		2.16
Total non-current assets		2,774.12
Inventories		507.99
Financial assets		
Trade receivables		579.04
Cash and cash equivalents		16.32
Other balances with banks		16.47
Loans		0.75
Other financial assets		0.30
Current tax assets (net)		12.85
Other current assets		3.76
Total current assets		1,137.49
	Total assets	3,911.61
Borrowings		212.25
Provisions		32.69
Total non-current liabilities		244.95
Borrowings		93.68
Trade payables		258.65
Other financial liabilities		30.19
Other current liabilities		22.82
Current tax liabilities (Net)		10.31
Total current liabilities		415.66
	Total liabilities	660.60
	Net Asset Acquired	3,251.01

Goodwill arising on account of business combination:

		(Rs. In million)
Particulars		As at April 1, 2022
Purchase consideration		3,800.00
Less: Fair value of identified net asset acquired		3,251.01
Goodwill arising on Business combination		548.99



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

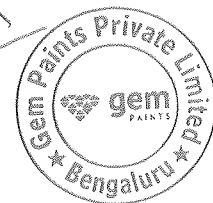
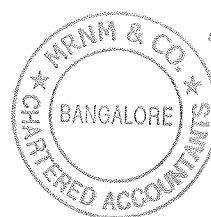
As per scheme Resultant Company have issued and allotted an aggregate, Rs. 3800 million divided into 38,00,00,000 equity shares of Rs. 10 (Rupees Ten only) each, on a proportionate basis, to the shareholder of erstwhile Company whose name is recorded in the register of members as shareholders as on the Record Date.

Erstwhile share capital of the Company Rs. 0.10 million have been eliminated against the investment made by erstwhile Gem Paints Private Limited in the Resultant Company.

Reconciliation of profits as per these financial statements and the audited financial statements for the year ended March 31, 2023 adopted at the meeting of Board of Directors dated May 12, 2023:

(Rs. In million)	
Particulars	Year ended March 31, 2023
Profit for the year ended March 31, 2023, of the Company as per financial statement issued on May 12, 2023 (a)	-
Profits of:	
Demerged Company - for the year ended March 31, 2023 (b)	326.57
Less: Profit for Non operating business of demerged Company (c)	(131.34)
Other adjustments:	
Depreciation and amortisation on the revaluation of tangible assets, Right to Use Assets and Intangible assets created on Business Combination	(273.72)
Tax impact on above adjustment	68.89
Total (d)	(204.83)
Restated Profit after Tax for March 31, 2023 (a+b+c+d)	(9.60)

The Board of Directors of the Holding Company had, at its meeting held on May 15, 2023 approved the consolidated financial statements of the Holding Company for the year ended March 31, 2023 and the same were adopted at the Annual General Meeting of the Holding Company held on August 11, 2023. The Company has also applied guidance given in Ind AS Technical Facilitation Group's Bulletin issued by ICAI (in accordance with Ind AS 103- Business Combination) and used carrying amounts as appearing in the consolidated financial statements of the Holding Company while applying the pooling of interest method.



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

39 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2024 (Rs. In million)	March 31, 2023 (Rs. In million)	% Change	Note
Current Ratio	Current Assets	Current Liabilities	5.51	1.37	302%	a
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	0.57	-100%	b
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.14	2.68	-95%	c
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.00)	(0.00)	6%	d
Inventory turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Inventory	3.05	4.25	-28%	
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.11	4.50	-9%	
Trade payables turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Trade Payables	6.99	9.43	-26%	e
Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	1.99	2.53	-21%	
Net profit ratio	Profit for the year	Revenue from operations	(0.01)	(0.00)	23%	
Return on Capital employed	Earnings before Interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.00	(0.00)	-203%	f

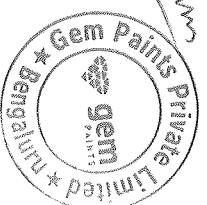
Note a: Due to improvement in operating cycle, the Company has generated cashflows and repaid its financial liabilities, accordingly current ratio is improved.

Note b: During the year Company repaid all its term-loan borrowings hence there is no borrowing in the Company. Consequently, the Debt-Equity ratio stands at Nil for the year.

Note c: The Debt Service Coverage Ratio reduced as the Company redeemed its Optionally Convertible Debentures, which carried a very minimal rate of interest.

Note d & e: The decrease in these ratios is primarily attributed to a reduction in sales during the current year.

Note f: Ratio shows improvement during the year mainly due to increase in EBIT during the current year.



GEM PAINTS PRIVATE LIMITED
(FORMERLY KNOWN AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

40. TRANSACTIONS WITH STRUCK OFF COMPANIES

There are no transactions with struck off companies during the year ended March 31, 2024 and March 31, 2023.

41. 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.

42. SEGMENT REPORTING

The Company operates in one reportable business segment i.e., manufacturing of paints and is primarily operating in India and there are no Geographical Segments as export turnover is not significant in respect of total turnover. Accordingly, there are no separate reportable business segments as per Ind AS 108 'Operating Segments'.

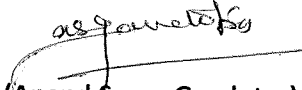
43. The figures for the previous year have been regrouped / reclassified wherever necessary to confirm with the current year's classification.


See accompanying notes to the financial statements


As per report of even date.

For and on behalf of the Board of Directors of
Gem Paints Private Limited (Formerly known as Esha Paints Private Limited)
CIN: U24222KA2022PTC160270

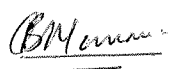
For M R N M & CO
Chartered Accountants
ICAI Firm Registration No : 013072S

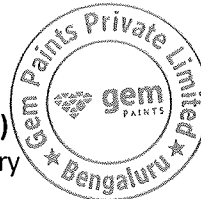

(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386


(Hetal N Shah)
Partner
Membership No : 223229

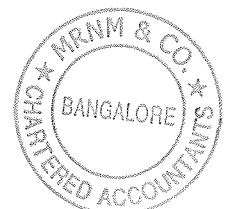

(Hiranand Savlani)
Chief Financial Officer


(Manan Bhavsar)
Company Secretary



Place : Bengaluru
Date : April 22, 2024

Place : Bengaluru
Date : April 22, 2024



G. K. Choksi & Co.

Chartered Accountants

1201 - 901, North Tower, One42, Chhanalal Joshi Marg,
Opp. Jayantilal Park BRTS, Off. Ambli BRTS Road, Ahmedabad 380 054.
Dial : 91 - 79 - 6819 8900 - 901 ; E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To
The Members,
ASTRAL FOUNDATION

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ASTRAL FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 31st March 2024, and its surplus, 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 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 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 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 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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Dial : 91 - 11 - 4371 7773 - 74

'Surya Bhavan', Station Road, **Petlad** - 388 450. Dial : 91 - 2697 - 224 108

E-mail : info@gkcco.com



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 Ind AS financial statements

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

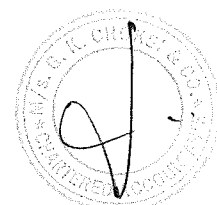
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 Ind AS financial statements.

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



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

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

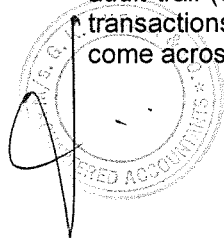
1. The Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, is not applicable to the Company, as it is licensed to operate under Section 8 of the Act.
2. As required by section 143(3) of the Act, we report 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.



- (c) The Balance Sheet, the Statement of Income and Expenditure, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid 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 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



3. 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, the company being Section 8 Company, the provision of Section 197 read with the Schedule V of the Act is not applicable to the Company.

FOR G. K. CHOKSI & CO..

[Firm Registration No. 101895W]
Chartered Accountants

V. R. Choksi

VARTIK R. CHOKSI

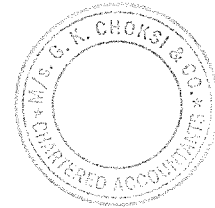
Partner

Mem. No. 116743

UDIN : 24116743BK477A8411

Place : Ahmedabad

Date : 17 MAY 2024



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Lacs)

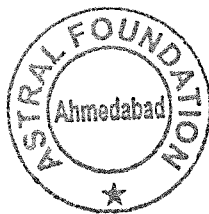
Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	15.61	18.51
(b) Other Intangible assets	3(B)	0.54	0.74
Total non-current assets		16.15	19.25
Current assets			
(a) Financial assets			
(i) Cash and Cash equivalents	4	3.66	3.07
(b) Other current assets	5	31.14	17.51
Total current assets		34.80	20.58
Total assets		50.95	39.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	1.00	1.00
(b) Other equity	7	48.75	36.56
Total equity		49.75	37.56
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	8		
a total outstanding dues of micro enterprises and small enterprises		-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises		0.35	0.67
(ii) Other financial liabilities	9	0.20	0.19
(b) Other current liabilities	10	0.65	1.41
Total current liabilities		1.20	2.27
Total liabilities		1.20	2.27
Total equity and liabilities		50.95	39.83

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 : 17.05.2024



For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 17.05.2024

Jagruhi 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, 2024

(₹ in Lacs)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations			
Grant received		1,095.73	911.97
Other income	11	1.16	0.64
Total		1,096.89	912.61
EXPENDITURE			
Activities against grant receipt	12(A)	1,080.97	894.95
Depreciation and amortisation expenses	3	3.10	3.09
Other expenses	12(B)	0.63	0.50
Total		1,084.70	898.54
Surplus/(Deficit) during the year		12.19	14.07

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

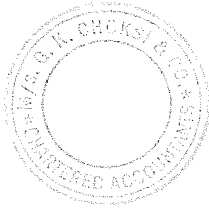
VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 17.05.2024



For and on behalf of the Board of Directors of
Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 17.05.2024

Jagruhi S. Engineer
Jagruhi 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, 2024

(₹ in Lacs)

Sr No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A	Cash flows from operating activities		
	Surplus/(Deficit)	12.19	14.07
	Adjustments for :		
	Depreciation expense	3.10	3.09
	Interest income	(1.16)	(0.64)
	Operating profit before Working Capital Changes	14.13	16.52
	Changes in working capital :		
	Other current assets	(13.63)	(17.01)
	Trade and other payables	(1.07)	0.87
	Cash generated from operations	(0.57)	0.38
	Income taxes (Paid) /Refund	-	0.12
	Net cash generated from Operating Activities [A]	(0.57)	0.50
B	Cash flows from investing activities		
	Interest received	1.16	0.64
	Net Cash flow used in Investing Activities [B]	1.16	0.64
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]	0.59	1.14
	Cash and cash equivalents at the beginning of the year	3.07	1.93
	Cash and Cash Equivalents at the end of the year (Note 4)	3.66	3.07

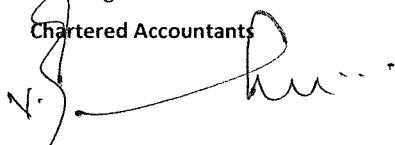
Notes :

- 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.

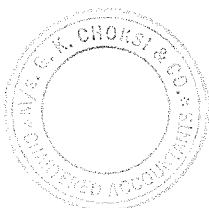
See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

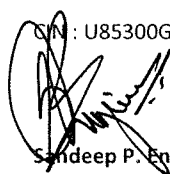


VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 17.05.2024

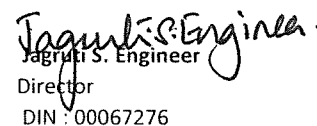


For and on behalf of the Board of Directors of
Astral Foundation

CIN : U85300GJ2020NPL112779



Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 17.05.2024


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, 2024

a Equity share capital (Note 6)

(₹ in Lacs)

Particulars	Amount
Balance as at April 1, 2022	1.00
Add: Issue of equity share capital	-
Balance as at March 31, 2023	1.00
Add: Issue of equity share capital	-
Balance as at March 31, 2024	1.00

b Other Equity (Note 7)

(₹ in Lacs)

Particulars	Amount
	Retained earnings
Balance as at April 1, 2022	22.49
Surplus/(Deficit) during the year	14.07
Balance as at March 31, 2023	36.56
Surplus/(Deficit) during the year	12.19
Balance as at March 31, 2024	48.75

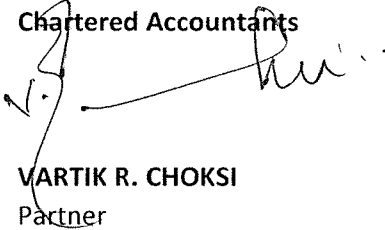
See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.

Firm Registration No : 101895W

Chartered Accountants



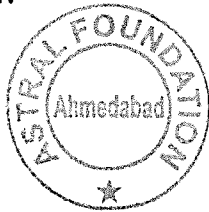
VARTIK R. CHOKSI

Partner

Membership No : 116743

Place : Ahmedabad

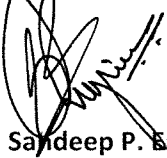
Date : 17.05.2024



For and on behalf of the Board of Directors of

Astral Foundation

CIN : U85300GJ2020NPL112779



Sandeep P. Engineer

Director

DIN : 00067112

Place : Ahmedabad

Date : 17.05.2024



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, 2024

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 BASIS OF PREPARATION AND MEASUREMENT & MATERIAL ACCOUNTING POLICIES

(i) BASIS OF PREPARATION AND MEASUREMENT

a Statement of Compliance

As per para 16 of Ind AS 1, the Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

b Basis of Measurement

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). Except whatever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

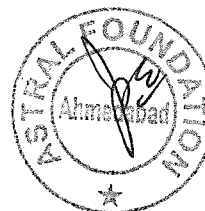
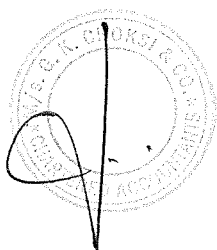
The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are presented in lacs. All amounts individually less than Rs. 499 have been reported as "-".

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.

c Use of Estimates & Judgements

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.



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, 2024

Key Sources of Estimation uncertainty:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. 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 liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

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

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

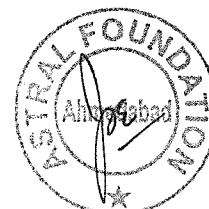
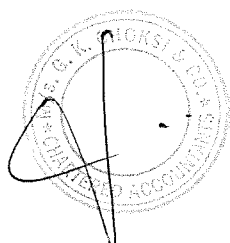
In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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

ii) Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.



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, 2024

(II) MATERIAL ACCOUNTING POLICIES

a 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 into account outstanding and effective interest rate applicable.

b 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.

c 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.

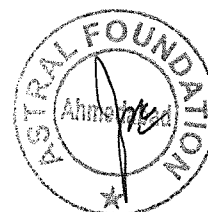
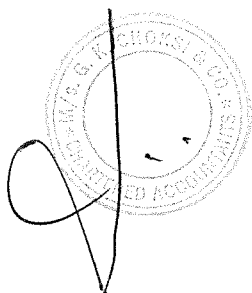
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle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

d 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.



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, 2024

e 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.

(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.

f Financial liabilities

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

(i) Equity instruments

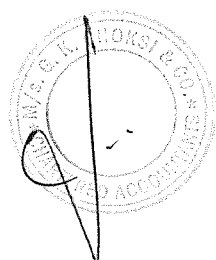
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

(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.

g 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, 2024

h Property, plant and equipment

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

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.

i 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.

j Current versus non-current classification

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

An asset is treated as current when it is:

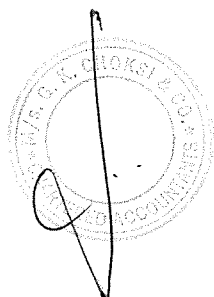
- i) Expected to be realized or intended to be sold or consumed in normal operating cycle
 - ii) Held primarily for the purpose of trading
 - iii) Expected to be realized within twelve months after the reporting period, or
 - iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least thirty six
- All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in 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 thirty six months after the
- The Company classifies all other liabilities as non-current.

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

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



ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]

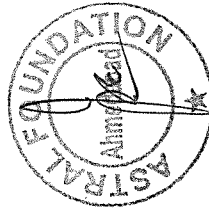
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the Year	Disposals	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A. TANGIBLE ASSETS											
1	Vehicles	24.32	-	-	24.32	5.81	2.90	-	8.71	15.61	18.51
	Total	24.32	-	-	24.32	5.81	2.90	-	8.71	15.61	18.51
		(24.32)	-	-	(24.32)	(2.92)	(2.89)	-	(5.81)	(18.51)	
B. INTANGIBLE ASSETS											
1	Web Portal	1.00	-	-	1.00	0.26	0.20	-	0.46	0.54	0.74
	Total	1.00	-	-	1.00	0.26	0.20	-	0.46	0.54	0.74
		(1.00)	-	-	(1.00)	(0.06)	(0.20)	-	(0.26)	(0.74)	

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, 2024

4 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	0.03	0.14
Balances with Banks in saving accounts	3.63	2.93
Total	3.66	3.07

5 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Receivables		
Gujarat CSR Authority	-	16.15
Advance to Suppliers	31.14	1.36
Total	31.14	17.51

6 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
150,000 (Previous Year: 150,000) Equity Shares of ₹ 10/- each	15.00	15.00
	15.00	15.00
10,000 (Previous year : 10,000) Equity Shares of ₹ 10/- each fully paid up	1.00	1.00
Total	1.00	1.00

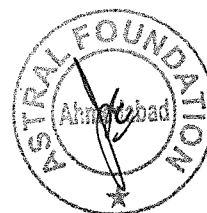
(a) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 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 year

Particulars	No. of Shares	Amount (₹ in lacs)
Balance as at April 1, 2022	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2023	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2024	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, 2024

6 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, 2024	As at March 31, 2023
Astral Limited		
No. of Shares	10,000	10,000
% of Shares Held	100%	100%
% change during the year	0%	25%

- (d) 10,000 (as at March 31, 2023 : 10,000) equity shares of ₹ 10/- fully paid up are held by Parent Company - Astral Limited jointly with nominee.

7 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance at the beginning of the year	36.56	22.49
Add : Surplus/(Deficit) during the year	12.19	14.07
Total	48.75	36.56

8 TRADE PAYABLES

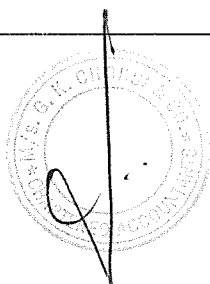
(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
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	0.35	0.67
Total	0.35	0.67

- a. Trade Payables Ageing Schedule

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unbilled	0.35	0.35
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	0.35	0.67



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, 2024

9 OTHER FINANCIAL LIABILITIES

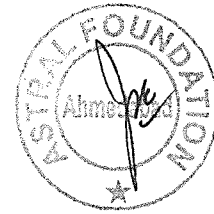
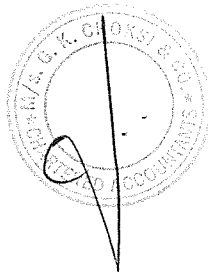
(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Salary payable	0.20	0.19
Total	0.20	0.19

10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	0.65	1.41
Total	0.65	1.41



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, 2024

11 OTHER INCOME

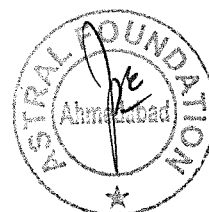
(₹ in Lacs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income :		
From Banks	1.16	0.63
Income Tax Refund	-	0.01
Other Interest Income	-	-
Total	1.16	0.64

12(A) ACTIVITIES AGAINST GRANT RECEIPT

(₹ in Lacs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Activities against grant receipt	1,080.97	894.95
Total	1,080.97	894.95

Details of activities against grant receipt :

(₹ in Lacs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a. DRINKING WATER		
i Installation of piped drinking water supply	13.07	-
Total	13.07	-
a. HEALTH		
i Mobile Medical Vans and ambulances	-	-
ii Health Infrastructure	232.49	131.81
iii Health Camps and awareness	20.00	112.44
Total	252.49	244.25
b. SKILL DEVELOPMENT		
i Skill Development Programs	4.95	-
ii Livelihood enhancement	-	5.75
iii Skill Development Infrastructure	-	11.27
Total	4.95	17.02
c. EDUCATION		
i Education Infrastructure	283.07	175.73
ii Educational Scholarship	40.55	69.38
Total	323.62	245.11
d. ENVIRONMENTAL PROJECTS		
i Wildlife conservation	117.51	154.45
ii Ecological Balance	313.76	113.07
Total	431.27	267.52
e. OTHERS		
i Setting up home	11.79	74.89
ii Rural Development	14.82	3.53
iii Innovation and development	-	15.00
iv Others	28.96	27.63
Total	55.57	121.05
Total (a+b+c+d+e+f)	1,080.97	894.95



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, 2024

12(B) OTHER EXPENSES

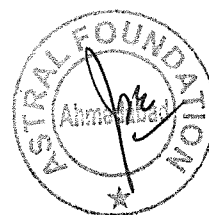
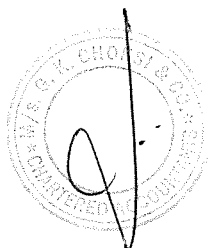
(₹ in Lacs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Bank charges	-	-
Other expenses	0.26	0.08
Rates and taxes	0.02	0.07
Auditors Remuneration**	0.35	0.35
Total	0.63	0.50

** Auditors' Remuneration

(₹ in Lacs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(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, 2024

13 Related party Disclosures :

(a) List of related parties

Relationship

Holding Company

Astral Limited

Enterprise over which key managerial personnel are able to exercise significant influence Kairav Chemicals Limited

Key Management Personnel (KMP)

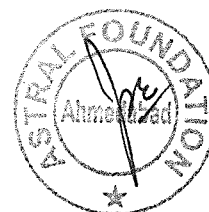
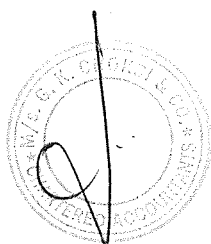
Mr. Sandeep Engineer

Mrs. Jagruti Engineer

(b) Summary of related party transactions

(₹ in Lacs)

Sr. No.	Particulars	Holding Company		Enterprise over which key managerial personnel are able to exercise significant influence	
		2023-24	2022-23	2023-24	2022-23
Transactions during the year					
i	Grant Received				
	Astral Limited	1,085.73	894.64	-	-
	Kairav Chemicals Limited	-	-	-	7.33
Balance at the end of year		0.01	-	-	



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, 2024

14 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.

15 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, 2024			
Financial assets			
Cash and cash equivalents (Note 4)	3.66	-	-
	3.66	-	-
As at March 31, 2023			
Financial assets			
Cash and cash equivalents (Note 4)	3.07	-	-
	3.07	-	-

(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.

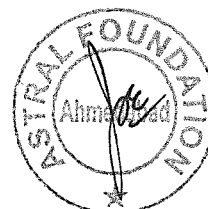
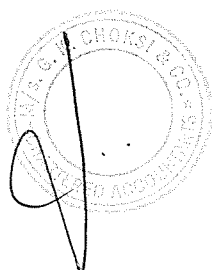
(b) Liquidity Risk

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, 2024				
Non-derivatives				
Trade payable (Note 8)	0.35	-	-	-
Other financial liabilities (Note 9)	0.20	-	-	-
Total	0.55	-	-	-
As at March 31, 2023				
Non-derivatives				
Trade payable (Note 8)	0.67	-	-	-
Other financial liabilities (Note 9)	0.19	-	-	-
Total	0.86	-	-	-



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, 2024

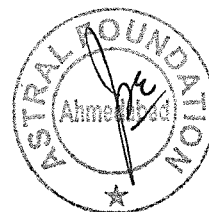
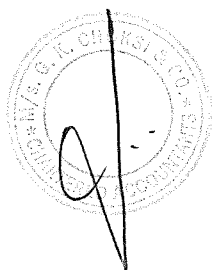
(c) Interest rate risk

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 carries fixed interest rate.

16 Due to Micro and Small Enterprises (Note 8)

(₹ in Lacs)			
Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
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.



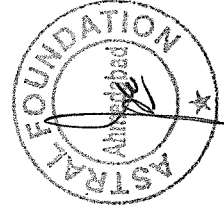
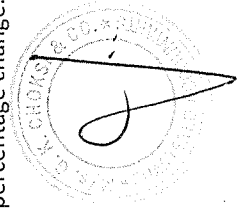
ASTRAL FOUNDATION
[A COMPANY LICENSED UNDER SECTION 8 OF THE COMPANIES ACT, 2013]
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

17 Ratio Analysis

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% change
Current Ratio*	Current Assets	Current Liabilities	28.95	9.07	219%
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	Not applicable	Not applicable	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, 2024

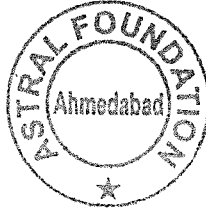
18 The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

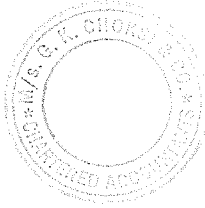
VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 17.05.2024



For and on behalf of the Board of Directors of Astral Foundation
CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 17.05.2024

Jagruti S. Engineer
Director
DIN : 00067276



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**ASTRAL PIPES LIMITED
31 DECEMBER 2023**

**B. C. PATEL & CO.
CERTIFIED PUBLIC ACCOUNTANTS (KENYA)
P. O. BOX 45931 - 00100
NAIROBI.**

ASTRAL PIPES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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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 2023

The directors have pleasure in presenting to shareholders their annual report together with the audited financial statements for the year ended 31st December 2023.

PRINCIPAL ACTIVITIES

Dormant company.

RESULTS

The results for the year are as shown below:

	2023	2022
	<u>KSHS</u>	<u>KSHS</u>
Interest income	381,733	1,242,221
Loss before tax	(1,767,447)	(1,967,845)
Tax provision	114,520	372,666
Loss after tax	<u>(1,881,967)</u>	<u>(2,340,511)</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 2023

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 22nd April 2024.



CHAIRMAN

DATED : 22nd April 2024.

ASTRAL PIPES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 22nd April 2024 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 32 which comprise the statement of financial position as at 31st December 2023, 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.

Except for matters disclosed below, in our opinion the financial statements present fairly in all material respects the financial position of the company as at 31st December 2023, 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. 16 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 Ameer Chalishazar, Practising Certificate No. P1119.

Chalish



For and on behalf of B. C. PATEL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P. O. Box 45931 - 00100
Nairobi.
24th April 2024.

ASTRAL PIPES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
ASSETS			
Non-current assets			
Assets held for sale	3	<u>237,767,542</u>	<u>237,767,542</u>
		237,767,542	237,767,542
Current assets			
Trade and other receivables	4	13,150,656	15,257,080
Cash and cash equivalents	5	<u>620,991</u>	<u>55,515</u>
		13,771,647	15,312,595
Total assets		<u><u>251,539,189</u></u>	<u><u>253,080,137</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	820,000,000	820,000,000
Funds awaiting allotment of shares		359,414,273	359,414,273
Revenue reserves		<u>(931,525,539)</u>	<u>(929,643,572)</u>
		247,888,734	249,770,701
Current liabilities			
Trade and other payables	7	3,645,016	3,305,353
Tax liability		<u>5,439</u>	<u>4,083</u>
		3,650,455	3,309,436
Total equity and liabilities		<u><u>251,539,189</u></u>	<u><u>253,080,137</u></u>

The accounting policies and notes on pages 13 to 32 form an integral part of these financial statements.



DIRECTOR



DIRECTOR

ASTRAL PIPES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
Interest income	1(h)	381,733	1,242,221
Other income	10	112,210	128,500
Total income		<u>493,943</u>	<u>1,370,721</u>
Administrative expenses	11	<u>2,257,071</u>	<u>3,319,740</u>
Operating loss	12	(1,763,128)	(1,949,019)
Finance costs	13	<u>4,319</u>	<u>18,826</u>
Loss before tax		(1,767,447)	(1,967,845)
Tax provision	8	<u>114,520</u>	<u>372,666</u>
Loss after tax		(1,881,967)	(2,340,511)
Other comprehensive income, net of taxes		-	-
Total comprehensive loss for the year		<u>(1,881,967)</u>	<u>(2,340,511)</u>

The accounting policies and notes on pages 13 to 32 form an integral part of these financial statements.

ASTRAL PIPES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	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 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>
Opening balance as at 1 st January 2023	100,000,000	720,000,000	359,414,273	(929,643,572)	249,770,701
Total comprehensive loss for the year	-	-	-	(1,881,967)	(1,881,967)
Closing balance as at 31 st December 2023	<u>100,000,000</u>	<u>720,000,000</u>	<u>359,414,273</u>	<u>(931,525,539)</u>	<u>247,888,734</u>

ASTRAL PIPES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
OPERATING ACTIVITIES			
Cash generated from operations	14	678,636	20,734,701
Tax paid		(113,160)	(555,817)
Net cash generated from operating activities		<u>565,476</u>	<u>20,178,884</u>
FINANCING ACTIVITIES			
Net movement in borrowings		-	(179,163,394)
Funds received from shareholders		-	308,678,398
Net cash generated from financing activities		<u>-</u>	<u>129,515,004</u>
Net increase in cash and cash equivalents		<u>565,476</u>	<u>149,693,888</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
At the beginning of the year		55,515	(149,638,373)
Movement during the year		565,476	149,693,888
At the end of the year	5	<u>620,991</u>	<u>55,515</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023

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 2023

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 2023

1 ACCOUNTING POLICIES

(g) Adoption of new and revised International Financial Reporting Standards (IFRS)

Standards, amendments and interpretations effective on or after 1 January 2023

The following new and revised standards have become effective for the first time for the financial year beginning 1st January 2023 and have been adopted by the company where relevant to its operations:

<i>New and Amendments to standards</i>	<i>Effective for annual periods beginning on or after</i>
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

Impact of new and amended standards and interpretations on the financial statements for the year and future annual periods:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date. The amendments also introduce a definition of 'settlement' of a liability to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The amendment is effective for accounting periods beginning on or after 1 January 2023.

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 2023

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):

Amendments to IAS 1 and IFRS practice statement 2 - Disclosure of accounting policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment is effective for accounting periods beginning on or after 1 January 2023.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendment is effective for accounting periods beginning on or after 1 January 2023.

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 2023

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):

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

Right-of-use assets and lease liabilities, and

Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

The amendment is effective for accounting periods beginning on or after 1 January 2023.

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 2023

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):

IFRS 17 - Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The amendment is effective for accounting periods beginning on or after 1 January 2023.

The adoption of the above standards and amendments did not have an impact on the financial statements of the company.

New and amended standards and interpretations in issue but not yet effective in the period ended 31 December 2023

New and Amendments to standards

Effective for annual periods beginning on or after

Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

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 2023 until they become effective. Based on their assessment, the directors anticipate no material impact to the company's financial statements.

(h) Revenue recognition

Interest income is recognised on receipt basis.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

(i) 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.

(j) 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.

(k) 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.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

(l) 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.

(m). 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.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

(n) 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 2023

1 ACCOUNTING POLICIES

(n) 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 2023

1 ACCOUNTING POLICIES

(n) Financial instruments (Continued)

(v) Trade payables

Trade payables are stated at their nominal value.

(vi) 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.

(o) 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 2023

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) Credit risk
- (b) Liquidity 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) 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 2023

2 FINANCIAL RISK MANAGEMENT POLICIES (Continued)

(a) 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:

	2023	2022
	<u>KSHS</u>	<u>KSHS</u>
Trade and other receivables	20,230,429	20,330,429
Impairment loss allowance	<u>(20,230,429)</u>	<u>(20,301,961)</u>
Trade receivables - net	-	28,468
Other receivables	250,000	250,000
VAT claimable	10,622,517	10,374,947
Loan to related parties	<u>2,275,550</u>	<u>4,601,076</u>
Total	<u>13,148,067</u>	<u>15,254,491</u>

(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.

	2023	2022
	<u>KSHS</u>	<u>KSHS</u>
Trade and other payables	3,413,416	3,247,353
Due to related parties	<u>231,600</u>	<u>58,000</u>
Total	<u>3,645,016</u>	<u>3,305,353</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 KSHS	2022 KSHS
3 ASSETS HELD FOR SALE	1(l)		
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 TRADE AND OTHER RECEIVABLES	1(n)		
Trade and other receivables		20,230,429	20,330,429
Impairment loss allowance		(20,230,429)	(20,301,961)
Trade receivables - net		-	28,468
Other receivables		250,000	250,000
VAT claimable		10,622,517	10,374,947
Loan to related parties		2,275,550	4,601,076
Tax recoverable		2,589	2,589
		<u>13,150,656</u>	<u>15,257,080</u>
5 CASH AND CASH EQUIVALENTS	1(n)		
For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following amounts:			
Cash at bank		620,991	55,515
		<u>620,991</u>	<u>55,515</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
6 SHARE CAPITAL	1(n)		
(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.			
7 TRADE AND OTHER PAYABLES	1(n)		
Trade and other payables		3,413,416	3,247,353
Due to related parties		<u>231,600</u>	<u>58,000</u>
		<u>3,645,016</u>	<u>3,305,353</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 KSHS	2022 KSHS
8 TAX PROVISION	1(j)		
The income tax expense has been calculated using income tax rate of 30%.			
(a) Current tax		114,520	372,666
Deferred tax		-	-
		<u>114,520</u>	<u>372,666</u>
(b) Reconciliation of tax debit 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		(1,767,447)	(1,967,845)
Tax @ 30%		(530,234)	(590,354)
Add: Deferred tax provision not captured for current year loss		644,754	963,020
		<u>114,520</u>	<u>372,666</u>
9 DEFERRED TAX	1(j)		
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		235,418,191	245,780,203
Accelerated capital allowances		13,162,676	14,625,196
Exchange fluctuation		(21,460)	-
		<u>248,559,407</u>	<u>260,405,399</u>
Derecognised deferred tax asset*		<u>(248,559,407)</u>	<u>(260,405,399)</u>
		<u>-</u>	<u>-</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 2023 amounted to Kshs 784,727,302/= (2022 : Kshs 784,727,302/=)

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
10 OTHER INCOME			
Interest income			
Other income		-	128,500
Unrealised exchange gain	1(k)	40,678	-
- Impairment gain on receivables		71,532	-
		<u>112,210</u>	<u>128,500</u>
11 ADMINISTRATIVE EXPENSES			
Rent and rates		123,848	123,848
Subscription		78,288	257,778
Printing and stationery		2,500	2,500
Insurance		408,321	150,959
Security		684,809	672,454
Professional fees		758,100	815,000
Audit fees		155,000	125,000
Sundry expense		13,500	50,988
Donation, fines and penalties		10,205	123,526
Legal fees		-	155,000
Impairment loss on receivables		-	721,547
Stamp duty		-	98,640
Secretarial fees		22,500	22,500
		<u>2,257,071</u>	<u>3,319,740</u>
12 OPERATING LOSS			
The operating loss is arrived at after charging:			
Auditors' remuneration		<u>155,000</u>	<u>125,000</u>
13 FINANCE COSTS			
Bank charges		2,779	18,826
Realised exchange loss	1(k)	1,540	-
		<u>4,319</u>	<u>18,826</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 <u>KSHS</u>	2022 <u>KSHS</u>
14 CASH GENERATED FROM OPERATIONS			
Reconciliation of loss before tax to cash generated from operations:			
Loss before tax		(1,767,447)	(1,967,845)
Changes in:			
- Trade and other receivables		2,106,420	22,724,823
- Trade and other payables		339,663	(22,277)
		<u>678,636</u>	<u>20,734,701</u>

15 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		<u>600,000</u>	<u>600,000</u>
Interest income from related party		<u>381,733</u>	<u>1,242,221</u>

Related party balances

Amounts due from related parties	4	<u>2,275,550</u>	<u>4,601,076</u>
Amounts due to related parties	7	<u>231,600</u>	<u>58,000</u>

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.

16 GOING CONCERN

As at 31 December 2023, the company has accumulated losses of Ksh. 931,525,539/= (2022: 929,643,572/=).

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.

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17 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.

18 CAPITAL COMMITMENTS

In the opinion of the directors there are no capital commitments.

19 EVENTS AFTER THE REPORTING DATE

There are no material events after the statement of financial position date which require disclosure.

20 COMPARATIVES

Previous year figures have been restated, wherever necessary, in order to conform to changes in current year presentation.

21 INCORPORATION

The company is incorporated in Kenya as a limited liability company under the Companies Act, 2015 and is domiciled in Kenya.