

SEAL IT SERVICES LIMITED

Financial Statements

FY 2024-25

COMPANY REGISTRATION NUMBER: 04487206

SEAL IT SERVICES LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2025

Seal It Services Limited

Financial statements

Year ended 31 March 2025

Contents	Page
Officers and professional advisers	2
Strategic report	3
Directors' report	6
Independent auditor's report	8
Consolidated statement of profit and loss and other comprehensive income	12
Consolidated statement of financial position	13
Company statement of financial position	14
Consolidated and company statement of changes in equity	15
Consolidated statement of cash flows	16
Notes to the financial statements	17

Seal It Services Limited

Officers and professional advisers

Company registration number	04487206
The board of directors	Mr D A Moore Mr S P Engineer Mrs J S Engineer Mr S S Engineer Mr D M 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 2025

Principal activity and review of the business

The principal activity of the Group (trading as Bond It) 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 £3,104,412 (2024: £65,794). The equity attributable to owners of the parent company totalled £6,918,615 (2024: £9,665,114).

The Group has a reduction in sales of £2.48m, -6.9%, the year to March 2025 compared to the previous year. It has been a difficult year for the Building and Construction sector in the UK affected by:

- Reduced major building and construction projects across many sectors. ONS reporting new work output falling by 5.3% in 2024 compared to the previous year.
- Low confidence in housing market due to mortgage rates and a lack of buyer confidence.
- Increased costs across all areas introduced an impact on home repairs and refurbishment by deferring spending decisions through 2024.
- UK Building Merchant groups reflecting lower levels of activity leading to reduced purchase volumes and a period of destocking across many customers.
- A number of major sector businesses going into administration across this period and small to medium merchants seeing huge cashflow challenges and record levels of insolvencies.

The Bond It Group responded to the market challenges with a reorganization of the Senior Management structure in September 2024 to establish closer collaboration and focus between the UK and US businesses and to increase collaboration across operational activities with our parent group, Astral. This has allowed greater focus on manufacturing efficiencies, cost savings and onto new project initiatives to target market growth in UK and US.

With full Astral support, we continue to invest in our activities across the Bond It Group with a new main office and warehouse facility, Unit H4 (42,000 sq ft / 4,100 pallet spaces) being opened in September 2024, commissioning of sealant manufacturing in US from Q3 YE 2025 and the introduction of a technology acquisition on hybrid sealant pre-polymer manufacturing in the UK from March 2025.

Improving our margins in a competitive market is key focus of the directors into the coming year, 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:

	2025	2024
Revenue	£33,441,583	£35,922,584
Trade Receivable Days	67	64

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.

Seal It Services Limited

Strategic report

Year ended 31 March 2025

Risk management (continued)

The UK Operations of the Group holds ISO 9001 (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; recertified in March 2025 through to March 2028.

There are no outstanding non-conformances or observations.

The US Manufacturing operation in Sanford, NC successfully completed its first full year audit since gaining ISO 9001 approval in early 2024.

As part of our active risk management on IT security/integrity, our UK operation has been independently audited and achieved Cyber Essentials/Cyber Essentials Plus status in April 2025.

Following independent audit work conducted in late 2024, the UK operation is certified as Carbon Neutral for 2025 (Carbon Neutral Britain – Certificate No: BCBN-05192)

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

A program of second sourcing and alternative supply routes has been established, in collaboration with our parent group, Astral. This helps 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. This is evidenced by our investment in Pre-Polymer technology so that we now manufacture the base materials necessary for hybrid sealant manufacture.

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 the Bond It Group performance in the period under review. Management changes in the later part of 2024 are starting to see benefits and are pleased to report good progress made to restore sales growth in both UK and US operations for the YE2026.

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. 2 new technology lines are due to launch in mid-2025 through this initiative.

Principal risk and uncertainties

We have addressed the impact of regulatory changes introduced since Brexit to operate from UK into EU in a more structured arrangement by establishing SISL (Bond It) Ireland Limited (an EU-Entity based in Dublin, ROI). Sales transactions through this entity commenced in October 2024.

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.

Seal It Services Limited

Strategic report

Year ended 31 March 2025

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.

Supply chain risk

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 15th May 2025 and signed on behalf of the board by:

Dean Morgan

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 2025

The directors present their report and financial statements for the year ended 31 March 2025.

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

Strategic report

The strategic report is included at pages 3 to 5, including an indication of financial risk management objectives and policies and an indication of likely future developments.

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 2025

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 15th May 2025 and signed on behalf of the board by:

Dean Morgan

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 2025

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 2025 which comprise the which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Company 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 material 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 2025 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 2025

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 2025

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 2025

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

15th May 2025

Seal It Services Limited

Consolidated statement of profit and loss and other comprehensive income Year ended 31 March 2025

	Note	2025 £	2024 £
Continuing operations			
Revenue	3	33,441,583	35,922,584
Cost of sales		(23,493,874)	(24,242,067)
Gross profit		9,947,709	11,680,517
Distribution expenses		(3,602,621)	(3,718,147)
Administrative expenses		(8,321,143)	(7,465,234)
Operating profit		(1,976,055)	497,136
Finance expenses	7	(1,128,357)	(562,930)
(Loss)/Profit before taxation		(3,104,412)	(65,794)
Taxation	9	219,507	(306,382)
(Loss)/Profit for the year		(2,884,905)	(372,176)
 Other comprehensive income			
Items that may be reclassified to profit and loss			
Foreign exchange gains/(losses)		138,407	72,276
Taxation		-	-
Other comprehensive income net of tax		138,407	72,276
Total comprehensive income for the year		(2,746,498)	(299,900)
 Attributable to:			
Equity holders of the Company		(2,746,498)	(299,900)

All the activities of the Group are from continuing operations.

Seal It Services Limited

Consolidated statement of financial position

31 March 2025

	Note	2025 £	2024 £
Assets			
Non-current assets			
Intangible assets	10	2,389,768	2,389,769
Property, plant and equipment	11a	6,840,841	5,848,056
Capital Work in Progress	11b	1,718,660	382,880
Right of use assets	11c	4,805,410	473,277
		15,754,679	9,093,982
Current assets			
Inventory	13	5,887,729	7,006,779
Trade and other receivables	14	7,314,860	7,499,097
Cash and cash equivalents	15	1,656,833	1,739,020
		14,859,422	16,244,896
Total assets		30,614,101	25,338,878
Liabilities			
Non-current liabilities			
Loans and borrowings	16	9,147,708	4,957,041
Lease liabilities	11c	4,011,272	293,337
Deferred tax liabilities	18	26,363	196,074
		13,185,343	5,446,452
Current liabilities			
Loans and borrowings	16	4,866,641	5,002,075
Lease liabilities	11c	629,259	89,632
Trade and other payables	17	5,014,243	5,135,603
		10,510,143	10,227,310
Total liabilities		23,695,486	15,673,762
Net assets		6,918,615	9,665,114
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	6,919,441	9,804,347
Foreign exchange reserve	20	(926)	(139,333)
Total equity		6,918,615	9,665,114

These financial statements were approved by the board of directors and authorised for issue on 15th May 2025 and are signed on behalf of the board by:

Mr D Morgan *Dean Morgan*
Director

Company registration number: 04487206

The notes on pages 17 to 51 form part of these financial statements.

Seal It Services Limited

Company statement of financial position

31 March 2025

	Note	2025 £	2024 £
Assets			
Non-current assets			
Property, plant and equipment	11a	4,877,847	4,901,063
Capital Work In Progress	11b	1,323,321	155,992
Right of use assets	11c	3,721,066	473,277
Investments	12	542,341	542,341
Other receivables	14	10,351,713	7,191,600
		20,816,288	13,264,273
Current assets			
Inventory	13	4,691,392	5,903,798
Trade and other receivables	14	6,667,798	6,912,715
Cash and cash equivalents	15	1,471,346	1,649,650
		12,830,536	14,466,163
Total assets		33,646,824	27,730,436
Liabilities			
Non-current liabilities			
Loans and borrowings	16	9,147,708	4,957,041
Lease liabilities	11c	3,106,351	293,337
Deferred tax liabilities	18	26,363	196,074
		12,280,422	5,446,452
Current liabilities			
Loans and borrowings	16	4,866,641	5,002,075
Lease liabilities	11c	394,547	89,632
Trade and other payables	17	4,661,155	4,847,427
		9,922,343	9,939,134
Total liabilities		22,202,765	15,385,586
Net assets		11,444,059	12,344,849
Equity attributable to owners of the parent			
Share capital	19	100	100
Retained earnings	20	11,443,959	12,344,749
Foreign exchange reserve	20	-	-
Total equity		11,444,059	12,344,849

The loss for the financial year of the parent company was £900,791 (2024: profit £840,124).

These financial statements were approved by the board of directors and authorised for issue on 15th May 2025 and are signed on behalf of the board by:

Mr D Morgan *Dean Morgan*
Director

Company registration number: 04487206

The notes on pages 17 to 51 form part of these financial statements.

Seal It Services Limited

Consolidated and company statement of changes in equity

Year ended 31 March 2025

Consolidated statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2024	100	(139,333)	9,804,347	9,665,114
Loss for the year	-	-	(2,884,905)	(2,884,905)
Foreign Currency Gain/(Loss)	-	138,407	-	138,407
Total comprehensive income for the year	-	138,407	(2,884,905)	(2,746,498)
At 31 March 2025	100	(926)	6,919,442	6,918,616

	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/(Loss)	-	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

Company statement of changes in equity

	Share capital	Foreign exchange reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2024	100	-	12,344,749	12,344,849
Loss for the year	-	-	(900,791)	(900,791)
Foreign Currency Gain/(Loss)	-	-	-	-
Total comprehensive income for the year	-	-	(900,791)	(900,791)
At 31 March 2025	100	-	11,443,958	11,444,058

	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

The notes on pages 17 to 51 form part of these financial statements.

Seal It Services Limited

Consolidated statement of cash flows

Year ended 31 March 2025

Consolidated statement of cash flow	Note	2025 £	2024 £
Cash flows from operating activities			
Profit after taxation		(2,884,905)	(372,176)
Adjustment for:			
Depreciation and amortization	11a & 11c	1,669,804	1,047,016
Net finance costs	7	1,128,357	562,930
(Profit)/Loss on disposal of tangible assets		1,124	(18,467)
Accrued expenses		(155,890)	80,433
Foreign currency		164,252	125,805
Tax on profit of ordinary activities	9	(219,507)	306,382
		(296,765)	1,731,923
Changes in working capital:			
Movement in inventory		1,119,050	(124,187)
Movement in trade and other receivables		244,144	645,680
Movement in trade and other payables		46,224	(982,511)
Cash generated from operations		1,112,653	1,270,906
Interest paid		(1,004,030)	(524,822)
Income tax paid		(10,746)	(377,000)
Net cash inflow from operating activities		97,877	369,084
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,323,118)	(1,886,151)
Upfront payment made for ROU asset		(173,342)	(89,653)
Proceeds from sale of tangible assets		384	42,336
Net cash outflow from investing activities		(3,496,076)	(1,933,467)
Cash flows from financing activities			
Payment of lease liabilities		(615,006)	(217,094)
Proceeds from Parent Company loans		4,331,770	773,922
Proceeds from bank loans		-	1,411,698
Repayment of bank loans		(400,753)	(216,395)
Net cash (outflow)/inflow from financing activities		3,316,011	1,752,131
Net increase in cash and cash equivalents		(82,187)	187,748
Cash and cash equivalents at 1 April		1,739,020	1,551,272
Cash and cash equivalents at 31 March	15	1,656,833	1,739,020

The notes on pages 17 to 51 form part of these financial statements.

Seal It Services Limited

Notes to the financial statements

Year ended 31 March 2025

1. General information

Seal It Services Limited is a private company limited by shares, 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. The subsidiary locating in ROI commenced business in October 2024 and is involved in the sale of building products and building chemicals manufactured by its parent.

The consolidated financial statements were authorized for issue by the board of directors on 15th May 2025.

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 2.

Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, provide the directors with 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 £8,096,732 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 2025

2. Accounting policies (continued)

Exemptions

The directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented the statement of profit and loss and other comprehensive income for the Company alone.

Revenue recognition

Performance obligations and timing of revenue recognition

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

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

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

Determining the transaction price

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

Allocating amounts to performance obligations

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

Interest expense recognition

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

Employee benefits: pension obligations

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 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:

	2025	2024
United States dollar	1.2935	1.2618
Euro	1.1953	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 2025

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 recognised 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.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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).

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 2025.

Changes in accounting policies

- a) New standards, interpretations and amendments adopted from 1 January 2024

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

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-current (amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. See the applicable notes for further details on how the amendments affected the Group.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

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

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller- lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

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

2. Accounting policies (continued)

Changes in accounting policies (continued)

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the consolidated financial statements of 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 annual reporting period beginning 1 January 2025:

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

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

2. Accounting policies (continued)

Changes in accounting policies (continued)

The Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

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 2025

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

	2025	2024
	£	£
UK Sales	29,674,589	32,016,535
US sales	2,754,635	2,685,192
EU sales	936,726	1,157,117
Other	75,633	63,740
	33,441,583	35,922,584

All sales relate to goods and the 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

	2025	2024
	£	£
Raw materials and consumables used	20,977,438	21,687,766
Employee costs	6,718,495	6,391,338
Depreciation and amortization	1,669,802	1,047,016
Other sales expenses	595,028	697,006
Repairs	406,529	354,806
Other cost of sales	283,061	302,100
Transport	1,680,798	1,845,261
Finance costs	1,128,357	562,930
Foreign currency losses/(gains)	85,457	156,445
Other administrative costs	3,001,030	2,943,709
	36,545,995	35,988,378

5. Employee numbers

Staff members:

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

	2025	2024
Number of production staff	78	76
Number of distribution staff	27	20
Number of administrative staff	70	60
Number of management staff	8	5
	183	161

Out of the average staff numbers 23 (2024: 20) are employed by the subsidiary Seal It Inc. The ROI subsidiary holds no employees.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

6. Payroll costs

Aggregate payroll costs:

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

	2025	2024
	£	£
Wages and salaries	6,011,017	5,705,018
Employers' national insurance contributions and similar taxes	576,381	562,165
Defined contribution pension cost	131,097	124,155
	6,718,495	6,391,338

Directors' remuneration:

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

	2025	2024
	£	£
Remuneration receivable	263,252	320,519
Defined contribution pension cost	35,364	33,536
	298,616	354,056

Remuneration of highest paid director:

	2025	2024
	£	£
Remuneration receivable	126,912	164,234
Defined contribution pension costs	26,078	25,357
	152,990	189,591

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

	2025	2024
	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:

	2025	2024
	£	£
Remuneration receivable	688,770	641,296
Defined contribution pension cost	5,316	5,173
	694,086	646,469

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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 £131,097 (2024: £124,155).

7. Finance expense

	2025	2024
	£	£
Interest expense on financial liabilities measured at amortised cost and other similar charges	794,744	544,795
Interest expense on lease liabilities	333,613	18,135
	1,128,357	562,930

8. Auditors' remuneration

	2025	2024
	£	£
Auditors' remuneration: - as auditor	48,766	28,450
Audit related services	9,450	41,665
Other services:		
- taxation services	44,122	27,513
	102,338	97,628

9. Taxation

(a) Analysis of charge in the year	2025	2024
	£	£
Current tax:		
In respect of the year:		
Current tax based on the results for the year at 25% (2024 - 25%)	925	341,101
Over provision in prior year	(50,721)	(70,667)
Total current tax	(49,796)	270,434
Deferred tax:		
Origination and reversal of timing differences	(211,574)	(10,458)
Adjustments in respect of prior periods`	41,863	46,405
Total tax charge	(219,507)	306,382

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% (2024 - 25%).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

9. Taxation (continued)

(b) Factors affecting current tax charge	2025	2024
	£	£
Loss before taxation	(3,104,412)	(65,794)
Loss by rate of corporation tax in UK	(776,103)	(16,449)
Expenses not deductible for tax purposes	21,035	330
Income not taxable for tax purposes	-	-
Surplus of depreciation over capital allowances	47,530	41,912
Adjustments to tax charge in respect of previous periods	(50,721)	(69,763)
Remeasurement of deferred tax for change in tax rate	-	-
Adjustments to tax charge in respect of previous periods – deferred tax	41,864	46,406
Other timing differences	496,888	303,946
Total tax charge	(219,507)	306,382

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

10. Intangible Assets

	Goodwill
Cost	£
At 1 April 2024	2,389,769
Additions acquired through business combinations	-
At 31 March 2025	-
Amortisation and impairment	
At 1 April 2024	-
Amortisation and impairment during the year	-
At 31 March 2025	-
Carrying amount	
At 31 March 2025	2,389,769
At 31 March 2024	2,389,769

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate to calculate the present value of the cash flows. Management are of the view that no indicators of impairment were noted as at the 31 March 2025 and this will be re-assessed annually going forward.

Management reviews the business performance based on operating segments identified as UK and US. Goodwill with indefinite useful lives are monitored by management at operating segment level. All the goodwill is within the US segment and that is the segment which is being evaluated for impairment and disclosed below. The recoverable amount of US segment as a 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. The growth rate for first 5 years is accelerated due to planned investment in the US CGU that has already started in current financial year, and the Group are committed to. This includes human resources investment as well as plant and machinery purchases and other processes improvements. The key assumptions used for value in use calculations were as follows:

	2025	2024
Compound revenue growth	131%	10%
Margin percentage growth	3%	3%
Group pre-tax discount rate	12%	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 2025

11. (a) Property, Plant and Equipment

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2024	4,880,023	6,710,285	816,299	174,120	722,752	13,303,479
Additions	645,559	826,598	298,087	47,400	169,695	1,987,338
Disposals	-	-	-	-	(6,111)	(6,111)
FX	(23,703)	(40,891)	-	-	(2,912)	(67,505)
At 31 Mar 2025	5,501,879	7,495,992	1,114,386	221,520	883,424	15,217,201
Depreciation						
At 1 Apr 2024	1,127,917	5,197,955	519,519	47,269	562,765	7,455,426
Charge for year	226,164	498,235	95,342	38,299	97,212	955,251
Disposals	-	-	-	-	(4,603)	(4,603)
FX	(2,314)	(25,228)	-	-	(2,172)	(29,714)
At 31 Mar 2025	1,351,767	5,670,962	614,861	85,568	653,202	8,376,359
Net book value						
At 31 Mar 2025	4,150,112	1,825,030	499,525	135,952	230,222	6,840,841
At 31 Mar 2024	3,752,105	1,512,330	296,780	126,850	159,987	5,848,056

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

Seal It Services Limited

Notes to the financial statements (continued)

Year ended 31 March 2025

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

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2024	4,223,326	5,420,418	816,299	174,120	624,633	11,258,797
Additions	95,711	156,021	298,087	47,400	133,056	730,275
Disposals	-	-	-	-	-	-
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	-	-	-	-	-
At 31 Mar 2025	4,319,037	5,576,439	1,114,386	221,520	757,689	11,989,072
Depreciation						
At 1 Apr 2024	1,053,830	4,254,367	519,519	47,269	482,748	6,357,733
Charge for year	190,118	346,255	95,342	38,299	83,475	753,489
Disposals	-	-	-	-	-	-
Transfer / Reclassification	-	-	-	-	-	-
From right-of-use assets	-	-	-	-	-	-
At 31 Mar 2025	1,243,948	4,600,622	614,861	85,568	566,223	7,111,222
Net book value						
At 31 Mar 2025	3,075,090	975,817	499,525	135,952	191,466	4,877,750
At 31 Mar 2024	3,169,497	1,166,051	296,780	126,850	141,885	4,901,063

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

11. (b) Capital Work in Progress Aging

Capital Work in Progress - Group	Total £
Up to 3 months	1,575,175
3 to 6 months	43,302
6 months to 1 year	49,520
1 to 2 years	50,662
At 31 Mar 2025	<u>1,718,659</u>

Capital Work in Progress - Company	Total £
Up to 3 months	1,272,659
3 to 6 months	-
6 months to 1 year	-
1 to 2 years	50,662
At 31 Mar 2025	<u>1,323,321</u>

11. (c) Right of Use Assets and Liabilities

ROU - Group	Buildings £	Plant & Machinery & Motor Vehicles £	Total £
At 1 Apr 2024	-	473,277	473,277
Additions	4,272,977	788,926	5,061,902
Amortisation	(444,370)	(270,182)	(714,552)
Transfer to PPE	-	-	-
FX	(15,021)	(195)	(15,216)
At 31 Mar 2025	<u>3,813,586</u>	<u>991,826</u>	<u>4,805,411</u>

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 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	-	473,277	473,277

Lease Liabilities - Group

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2024	-	382,969	382,969
Additions	4,099,634	788,926	4,888,560
Lease payments	(603,072)	(345,546)	(948,618)
Interest	269,056	64,557	333,613
FX	(15,792)	(200)	(15,992)
At 31 Mar 2025	3,749,827	890,705	4,640,532

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

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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	2025	2024
	£	£
Contracted but not provided for in the financial statements	832,894	5,465,130

The commitment in the current year relates to the investment project underway for the manufacture of certain raw materials at the groups UK facility. The prior period related to the investment project into manufacturing facilities in Unites States entity as well as two new capital leases that commenced in the first quarter of the current financial year. One of the premises is additional to the current footprint and is in the UK. The second of the two was a replacement for the premises currently occupied by US operation in Los Angeles and is in the same state as the premises that are being vacated.

ROU - Company	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2024	-	473,277	473,277
Additions	2,921,721	772,355	3,694,076
Amortisation	178,550	267,737	446,287
Transfer to PPE	-	-	-
At 31 Mar 2025	2,743,172	977,895	3,721,066

ROU - Company	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
At 1 Apr 2023	17,552	243,315	260,867
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

In accordance with the group's right of use assets policy, during the previous 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 2025

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

Lease Liabilities - Company

	Buildings	Plant & Machinery & Motor Vehicles	Total
	£	£	£
Lease liabilities			
At 1 Apr 2024	-	382,969	382,969
Lease Modification	-	-	-
Additions	2,773,460	772,355	3,545,816
Lease payments	(327,123)	(342,634)	(669,757)
Interest	178,137	63,733	241,870
At 31 Mar 2025	2,624,474	876,424	3,500,898

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

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

	2025	2024
	£	£
Contracted but not provided for in the financial statements	832,894	2,920,056

The commitment in the current year relates to the investment project underway for the manufacture of certain raw materials. The prior year commitment related to a long-term lease on the premises that were 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 2025

12. Investments

Company	Group companies £
Cost	
At 1 Apr 2024	542,341
Additions	-
Disposals	-
Net book value	-
At 31 Mar 2025	542,341
At 31 Mar 2024	542,341

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 commenced business in October 2024.

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	2025 £	2024 £
Raw materials	2,526,884	2,782,880
Work in progress	72,365	51,435
Finished goods	3,288,480	4,172,464
	5,887,729	7,006,779

The cost of inventories recognised as expenses and included in cost of sales amounted to £20,977,438 (2024: £21,687,766).

Company	2025 £	2024 £
Raw materials	2,226,432	2,541,831
Work in progress	65,281	43,941
Finished goods	2,399,679	3,318,026
	4,691,392	5,903,798

The cost of inventories recognised as expenses and included in cost of sales amounted to £20,332,154 (2024: £20,639,638).

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

14. Trade and other receivables

Group	2025	2024
	£	£
Trade receivables	6,710,160	6,806,070
Less: provision for trade receivables	(554,057)	(494,232)
Trade receivables – net	6,156,103	6,311,838
Total financial assets other than cash and cash equivalents classified as amortised cost	6,156,103	6,311,838
Other receivables	444,106	340,731
Prepayments and accrued income	714,651	846,528
Total trade and other receivables	7,314,860	7,499,097

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 2025, £4,555,286 (2024: £4,726,136) 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:

	2025	2024
	£	£
Sterling	5,413,509	5,879,041
US Dollars	439,841	432,797
Euros	361,880	-
	6,156,103	6,311,838

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

	2025	2024
	£	£
At 1 April	494,232	216,523
Increase in provision for trade receivables	59,825	277,709
At 31 March	554,057	494,232

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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 company does not hold any collateral as security.

At 31 March 2025, trade receivables of £1,241,113 (2024: £2,139,121) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

	2025	2024
	£	£
Up to 3 months	1,212,076	2,126,380
3 to 6 months	11,178	(944)
Over 6 months	17,859	13,686
At 31 March	1,214,113	2,139,121

At 31 March 2025, trade receivables of £554,057 (2024: £497,403) were impaired. The ageing analysis of these trade receivables is as follows

	2025	2024
	£	£
Up to 3 months	86,939	731
3 to 6 months	29,736	17,040
Over 6 months	437,382	479,632
At 31 March	554,057	497,403

Company

	2025	2024
	£	£
Trade receivables	5,746,548	5,894,892
Less: provision for trade receivables	(111,087)	(15,851)
Trade receivables – net	5,635,461	5,879,041
Receivables from group companies	10,351,713	7,191,600
Total financial assets other than cash and cash equivalents classified as amortised cost	15,987,174	13,070,641
Other receivables	443,515	339,838
Prepayments and accrued income	588,822	693,836
Total trade and other receivables	17,019,511	14,104,315
Less: non-current portion – receivables from group companies	10,351,713	7,191,600
Current portion	6,667,798	6,912,715

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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 2025. The terms of the loan carry an interest charge of 7.1%, £ 450,896 (2024: £148,500), 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:

	2025	2024
	£	£
Sterling	5,413,509	5,879,041
Euro	221,952	-
	5,635,461	5,879,041

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

	2025	2024
	£	£
At 1 April	15,851	55,649
Increase/(Decrease) in provision for trade receivables	95,236	(39,798)
At 31 March	111,087	15,851

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 2025, trade receivables of £1,227,785 (2024: £2,026,255) 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:

	2025	2024
	£	£
Up to 3 months	1,212,076	2,028,086
3 to 6 months	11,178	(944)
Over 6 months	4,531	(887)
At 31 March	1,227,785	2,026,255

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

14. Trade and other receivables (continued)

At 31 March 2025, trade receivables of £111,087 (2024: £19,021) were impaired. The ageing analysis of these trade receivables is as follows:

	2025	2024
	£	£
Up to 3 months	86,045	731
3 to 6 months	22,554	9,924
Over 6 months	2,488	8,366
At 31 March	111,087	19,021

15. Cash and cash equivalents

Group

	2025	2024
	£	£
Cash and cash equivalents	1,656,833	1,739,020
	1,656,833	1,739,020

Cash and cash equivalents are denominated in either £ Sterling, € Euro or \$ USD. Included within cash and cash equivalents is an overdraft balance of £ Nil (2024: £ Nil)

Company

	2025	2024
	£	£
Cash and cash equivalents	1,471,346	1,649,650
	1,471,346	1,649,650

All cash and cash equivalents are denominated in £ Sterling.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

16. Loans and borrowings

Group	2025 £	2024 £
Non-current		
Bank borrowings - Secured	1,050,976	1,316,289
Loans from parent company	8,096,732	3,640,752
Total non-current loans and borrowings	9,147,708	4,957,041
	2025 £	2024 £
Current		
Bank borrowings - Secured	4,866,641	5,002,075
Total current loans and borrowings	4,866,641	5,002,075
Total loans and borrowings	14,014,349	9,959,116

All loans and borrowings are denominated in £ Sterling.

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

	2025		2024	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,050,976	6.80%	1,316,289	7.25%
Loans from parent company	8,096,732	7.10%	3,640,752	6.00%
	9,147,708		4,957,041	
Current				
Bank borrowings	4,866,641	6.80%	5,002,075	7.01%
	4,866,641		5,002,075	

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:

	2025 £	2024 £
Less than one year	4,866,641	5,002,075
Between one and five years	8,872,086	4,545,084
Over five years	275,622	411,957
Total loans and borrowings	14,014,349	9,959,115

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

16. Loans and borrowings (continued)

Company

	2025	2024
	£	£
Non-current		
Bank borrowings - Secured	1,050,976	1,316,289
Loans from parent company	8,096,732	3,640,752
Total non-current loans and borrowings	9,147,708	4,957,041
	2025	2024
	£	£
Current		
Bank borrowings - Secured	4,866,641	5,002,075
Total current loans and borrowings	4,866,641	5,002,075
Total loans and borrowings	14,014,349	9,959,115

All loans and borrowings are denominated in £ Sterling.

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

	2025		2024	
	Debt £	Interest %	Debt £	Interest %
Non-current				
Bank borrowings	1,050,976	6.80%	1,316,289	7.25%
Loans from parent company	8,096,732	7.10%	3,640,752	6.00%
	9,147,708		4,957,041	
Current				
Bank borrowings	4,866,641	6.80%	5,002,075	7.01%
	4,866,641		5,002,075	

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:

	2025	2024
	£	£
Less than one year	4,866,641	5,002,075
Between one and five years	8,872,086	4,545,084
Over five years	275,622	411,957
Total loans and borrowings	14,014,349	9,959,115

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

16. Loans and borrowings (continued)

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.
- Loan Postponement form for the loan given by Astral Ltd.

17. Trade and other payables

Group

	2025	2024
	£	£
Current		
Trade payables	3,129,462	3,371,425
Other payables	320,407	120,882
Accruals	912,760	1,068,650
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,362,629	4,560,957
Corporation tax	920	-
Other taxation and social security	650,694	574,646
Total trade and other payables	5,014,243	5,135,603

£1,203,091 (2024: £1,011,982) of trade and other payables are denominated in € Euro, £318,996 (2024: £218,176) is denominated in \$ US dollar, with all other amounts denominated in £ Sterling.

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

17. Trade and other payables (continued)

Company	2025 £	2024 £
Current		
Trade payables	2,988,513	3,293,940
Other payables	278,672	85,883
Accruals	745,409	896,186
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	4,012,594	4,276,009
Corporation tax		-
Other taxation and social security	648,561	571,418
Total trade and other payables	4,661,155	4,847,427

£965,545 (2023: £1,011,982) of trade and other payables are denominated in Euro, with all other amounts denominated in £ Sterling.

18. Deferred Taxation

Group and Company	2025 £	2024 £
Provision brought forward	196,074	160,126
Increase/ (Decrease) in provision	(169,711)	35,948
Provision carried forward	26,363	196,074

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

	2025		2024	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	26,363	-	196,074	-

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

19. Share Capital

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

	2025		2024	
	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

	2025		2024	
	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 2024	(139,333)	9,804,348
Loss for the year	-	(2,884,905)
Foreign exchange reserve	138,407	-
Balance at 31 March 2025	(926)	6,919,442

	Foreign exchange reserve £	Retained earnings £
Balance at 1 April 2023	(211,609)	10,176,524
Loss for the year	-	(372,176)
Foreign exchange reserve	72,276	-
Balance at 31 March 2024	(139,333)	9,804,348

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 2024	-	12,344,750
Loss for the year	-	(900,791)
Foreign exchange reserve	-	-
Balance at 31 March 2025	-	11,443,959

	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	-	12,344,750

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 2025

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 2025			
Loans and borrowings	4,866,641	8,872,086	275,622
Lease Liabilities	629,259	2,045,661	1,965,611
Accruals	912,760	-	-
Other payable	320,407	-	-
Trade payables	3,129,462	-	-
	9,858,529	10,917,747	2,241,233
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	4,838,421	411,957

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

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.

	2025	2024
	£	£
b) By category		
Financial assets		
Cash and cash equivalents	1,656,833	1,739,020
Trade receivables	6,156,103	6,311,838
	7,812,936	8,050,858

	2025	2024
	Financial liabilities at amortised cost	Financial liabilities at amortised cost
	£	£
Financial liabilities		
Trade payables	3,129,462	3,371,425
Accruals	912,760	1,068,650
Other payables	320,407	120,882
Loans from Group undertakings	8,096,732	3,640,752
Bank borrowings	5,917,617	6,318,364
Lease liabilities	4,640,532	382,969
	23,017,509	14,903,042

Seal It Services Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2025

22. Related party transactions

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

	2025	2024
	£	£
Astral Limited	8,096,732	3,640,752

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.

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 its registered office, 207/1, Bh. Rajpath Club, Off SG Highway, Ahmedabad.









4.04.01 Bond IT FS MAR 25 Draft 14.05.25 Final

Final Audit Report

2025-05-15

Created:	2025-05-15
By:	Breandan Lundy (breandan.lundy@bdoni.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfYc-U-Ij3oQxf_17kTvOavLlciGd4L9R

"4.04.01 Bond IT FS MAR 25 Draft 14.05.25 Final" History

-  Document created by Breandan Lundy (breandan.lundy@bdoni.com)
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-  Document emailed to Dean Morgan (deanmorgan@bonditgroup.com) for signature
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-  Document e-signed by Nigel Harra (nigel.harra@bdoni.com)
Signature Date: 2025-05-15 - 08:57:03 GMT - Time Source: server
-  Agreement completed.
2025-05-15 - 08:57:03 GMT

ASTRAL COATINGS PRIVATE LIMITED

Financial Statements

FY 2024-25

2024-25

M/S. ASTRAL COATINGS PRIVATE LIMITED

Financial Statements for the year 2024-
25

Regd. Office: 207/1, 'Astral House', B/h
Rajpath Club, Off S. G. Highway, Ahmedabad -
380059.

INDEPENDENT AUDITOR'S REPORT

To the Members of Astral Coatings Private Limited (Formerly known as Gem Paints Private Limited and Originally incorporated as Esha Paints Private Limited)

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of **Astral Coatings Private Limited** ("The Company") (Formerly known as Gem Paints Private Limited and Originally incorporated as Esha Paints Private Limited) which comprise the Balance Sheet as at 31st March 2025, 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, 2025 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 39 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 39 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 and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For MRNM & Co
Chartered Accountants
ICAI FRN: 013072S


Hetal N Shah

Partner
Membership No: 223229
UDIN: 25223229BMFXQK4657

Place: Bengaluru

Date: 22-04-2025



"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 2025)

- 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 Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

c) 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, 2025.

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 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, 2025 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, 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. Based on our examination of the records of the company and according to the information and explanations given to us and, the company has not availed any loans or other borrowings from any lender during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.

b. According to the information and explanation given to us, the company has not been declared willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.



- c. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the order does not arise.
- d. Based on our examination of records of the Company and according to the information and explanations given to us, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the order does not arise.
- e. Based on our examination of records of the Company and according to the information and explanations given to us, the Company has not taken any funds from any entity or person and the company does not have subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.
- f. According to the information and explanations given to us, the company has not raised loans during the year and the company does not have subsidiary/(ies) associates or joint ventures. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.
- 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. a. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees have been noticed or reported during the year.
 - b. During the year and up to the date of this report, no report under section 143(12) of the Companies act, 2013, has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.
 - c. There were no whistle blower complaints received by the Company during the year.



xii. In our opinion and to the best of our information and according to the explanations provided by the management, the company is not a Nidhi. Therefore, the requirements of clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the 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: 25223229BMFXQK4657

Place: Bengaluru

Date: 22-04-2025



"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 **Astral Coatings Private Limited** (Formerly known as Gem Paints Private Limited and Originally incorporated as Esha Paints Private Limited) ("**the Company**") as of March 31, 2025 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.

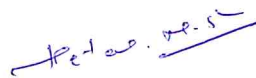
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2025, 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: 25223229BMFXQK4657

Place: Bengaluru

Date: 22-04-2025



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2025

(Rs. In Million)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	857.73	841.32
(b) Capital work-in-progress	3(E)	14.15	1.90
(c) Goodwill	3(B)	548.99	548.99
(d) Other Intangible assets	3(C)	1,063.06	1,320.85
(e) Right of use assets	3(D)	141.07	111.34
(f) Financial assets			
(i) Other financial assets	4	6.93	2.47
(g) Deferred tax assets (Net)	5	81.54	21.10
(h) Other non-current assets	6	2.82	2.82
Total non-current assets		2,716.29	2,850.81
Current assets			
(a) Inventories	7	588.98	369.02
(b) Financial assets			
(i) Trade receivables	8	513.62	421.46
(ii) Cash and cash equivalents	9	86.93	242.75
(iii) Other balances with banks	10	0.10	0.10
(iv) Loans	11	1.52	0.70
(v) Other financial assets	4	7.87	11.47
(c) Current tax assets (net)	12	0.80	84.76
(d) Other current assets	6	65.46	8.60
Total current assets		1,265.28	1,138.85
Total assets		3,981.57	3,989.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	3,800.00	3,800.00
(b) Other equity	14	(190.41)	(19.77)
Total equity		3,609.59	3,780.23
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	35	15.45	-
(b) Provisions	15	3.74	2.93
Total non-current liabilities		19.20	2.93



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2025

(Rs. In Million)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	35	16.67	-
(ii) Trade payables	16		
a total outstanding dues of micro enterprises and small enterprises		37.19	43.61
b total outstanding dues of creditors other than micro enterprises and small enterprises		216.16	112.49
(iii) Other financial liabilities	17	50.39	24.67
(b) Other current liabilities	18	26.84	24.24
(c) Provisions	15	5.52	1.50
Total current liabilities		352.78	206.51
Total liabilities		371.97	209.44
Total equity and liabilities		3,981.57	3,989.66

See accompanying notes to the financial statements

As per report of even date.

For and on behalf of the Board of Directors of
Astral Coatings Private Limited
(Formerly known as Gem Paints Private Limited,
Originally Incorporated as Esha Paints Private Limited)
CIN: U24222GJ2022PTC151610

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


(Chintankumar Patel)
Company Secretary

Place : Ahmedabad
Date : April 22, 2025

Place : Bengaluru
Date : April 22, 2025



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. In Million)			
Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	19	1,960.90	1,851.30
Other income	20	16.06	49.80
Total		1,976.96	1,901.09
Expenses			
Cost of materials consumed	21	1,325.50	1,163.13
Purchase of stock-in-trade	22	40.85	16.99
Changes in inventories of finished goods, traded goods and work-in-progress	23	(151.55)	(79.75)
Employee benefits expense	24	337.65	249.20
Finance costs	25	2.64	14.20
Depreciation and amortization expense	26	331.49	311.59
Other expenses	27	321.31	235.78
Total		2,207.89	1,911.15
Profit / (Loss) before tax		(230.93)	(10.05)
Tax expense	28		
Current tax		(4.48)	-
Deferred tax		(60.43)	0.08
Total tax expense		(64.91)	0.08
Profit / (Loss) for the year		(166.02)	(10.13)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements gain/(loss) on defined benefit plans		(4.62)	0.88
Income Tax relating to items that will not be reclassified to profit or loss		0.00	(0.00)
Total other comprehensive income		(4.62)	0.88
Total comprehensive profit / (loss) for the year		(170.63)	(9.25)
Earnings per equity share (Face value of Re. 10/- each)	29		
- Basic (in Rs.)		(0.44)	(0.03)
- Diluted (in Rs.)		(0.44)	(0.03)

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

For and on behalf of the Board of Directors of
Astral Coatings Private Limited
(Formerly known as Gem Paints Private Limited,
Originally Incorporated as Esha Paints Private Limited)
CIN: U24222GJ2022PTC151610


For **MRNM & 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


(Chintankumar Patel)
Company Secretary

Place : Ahmedabad
Date : April 22, 2025



Place : Bengaluru
Date : April 22, 2025

ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

a Equity share capital (Note 13)

(Rs. In Million)

Particulars	Amount
Balance as at April 1, 2023	3,800.00
Add: Movement during the year	-
Balance as at March 31, 2024	3,800.00
Add: Movement during the year	-
Balance as at March 31, 2025	3,800.00

b Other Equity (Note 14)

(Rs. In Million)

Particulars	Other equity	Total other equity
	Retained earnings	
Balance as at April 1, 2023	(10.52)	(10.52)
Add: Profit / (Loss) for the year	(10.13)	(10.13)
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation net of income tax	0.88	0.88
Total comprehensive loss for the year	(9.25)	(9.25)
Balance as at March 31, 2024	(19.77)	(19.77)
Add: Profit / (Loss) for the year	(166.02)	(166.02)
Add: Other comprehensive income / (loss) for the year, net of income tax	(4.62)	(4.62)
Total comprehensive loss for the year	(170.63)	(170.63)
Balance as at March 31, 2025	(190.41)	(190.41)

See accompanying notes to the financial statements

As per report of even date

For and on behalf of the Board of Directors of
Astral Coatings Private Limited
(Formerly known as Gem Paints Private Limited,
Originally Incorporated as Esha Paints Private Limited)
CIN: U24222GJ2022PTC151610

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


(Chintankumar Patel)
Company Secretary

Place : Ahmedabad
Date : April 22, 2025

Place : Bengaluru
Date : April 22, 2025



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in Million)

Sr No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A	Cash flows from Operating Activities		
	Profit / (Loss) before tax	(230.93)	(10.05)
	Adjustments for :		
	Depreciation and amortisation expense	331.49	311.59
	Finance costs	2.64	14.20
	Interest income	(1.97)	(3.46)
	Unrealised foreign exchange fluctuations	-	(0.01)
	Gain on Sale and purchase of mutual funds (net)	(7.43)	(42.27)
	(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(4.31)	3.06
	Allowance for expected credit loss	-	26.70
	Bad-debts written off	0.01	0.01
	Credit balances written back	(0.14)	(2.10)
	Operating profit before Working Capital Changes	89.36	297.67
	Changes in working capital :		
	(Increase)/Decrease in Inventories	(219.96)	(16.88)
	(Increase)/Decrease in Trade receivables, financial assets and other assets	(149.44)	24.08
	Increase/(Decrease) in Trade Payables, financial liabilities other liabilities and provisions	115.14	(89.41)
	Cash generated from operations	(164.89)	215.47
	Income tax (paid)/ Refund (net)	88.44	(15.56)
	Net cash generated from /(used in) Operating Activities [A]	(76.46)	199.91
B	Cash flows from investing activities		
	Payment for purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(71.85)	(53.82)
	Proceeds from Sale of property, plant and equipment	0.99	3.73
	(Increase)/Decrease in other balances with banks	0.00	1,023.09
	Interest Received / (paid)	1.96	20.23
	Gain on Sale and purchase of mutual funds (net)	7.43	42.27
	Net Cash flow generated from /(used in) Investing Activities [B]	(61.47)	1,035.50
C	Cash flow from Financing Activities		
	Finance Cost paid	(0.52)	(15.99)
	Repayment of Long Term Borrowings	-	(230.93)
	Payment of lease liabilities	(16.56)	-
	Loans (given) / repayment received	(0.82)	(0.05)
	Proceeds / (Repayment) from Optionally convertible debenture	-	(1,940.00)
	Net Cash flow generated from /(used in) used in Financing Activities [C]	(17.90)	(2,186.98)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	(155.82)	(951.56)
	Cash and cash equivalents at the beginning of the year	242.75	1,194.31
	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)	86.93	242.75

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.

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

Changes in liabilities arising from financing activities			(Rs. in Million)
Particulars	Non-current borrowings*	Current borrowings	Total
Balance as at April 1, 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	-	-	-
Cash flows	-	-	-
Balance as at March 31, 2025	-	-	-

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

See accompanying notes to the financial statements

As per report of even date

For and on behalf of the Board of Directors of

Astral Coatings Private Limited

(Formerly known as Gem Paints Private Limited,

Originally Incorporated as Esha Paints Private Limited)

CIN: U24222GJ2022PTC151610

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


(Chintankumar Patel)
Company Secretary

Place : Ahmedabad
Date : April 22, 2025

Place : Bengaluru
Date : April 22, 2025



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1. COMPANY OVERVIEW

Astral Coatings Private Limited (Formerly known as Gem Paints Private Limited, Originally incorporated as Esha Paints Private Limited) (CIN: U24222GJ2022PTC151610) ("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 207/1, 'Astral House', B/h Rajpath Club, Off S. G. Highway, Ahmedabad - 380059.

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, 2025.

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.

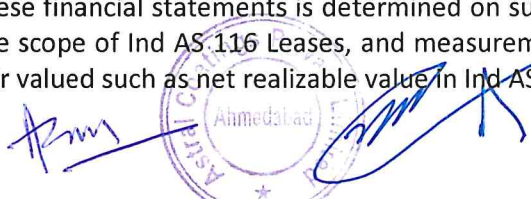
b) Fair value:

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.





ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

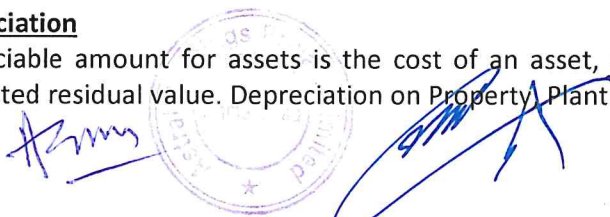
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All the directly attributable expenditure related to construction including incidental expenditure incurred during the period of construction of a project, till it is commissioned, is accounted as Capital work in 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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

under construction are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. Assets given under operating lease (i.e Computerised Colourant Dispenser Machines and Gyro Shakers) where useful life as estimated by management is 5 years.

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

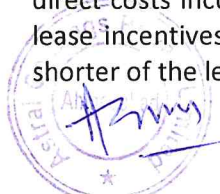
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

- **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. All lease liabilities are measured at the present value of the lease payments.

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.

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

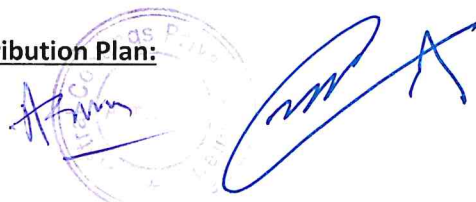
In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies 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.

Defined Contribution Plan:



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

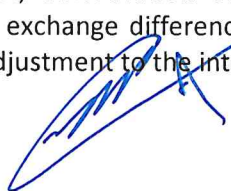
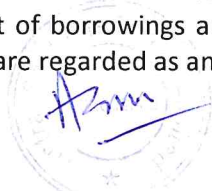
Long-term employee benefits:

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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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:

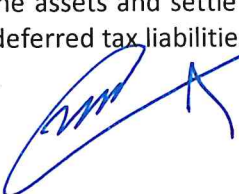
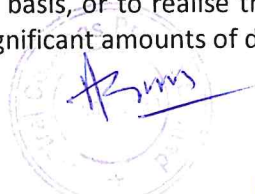
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

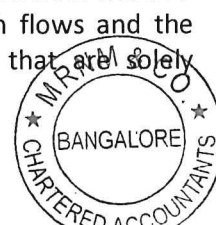
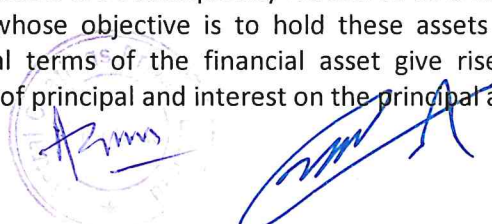
Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

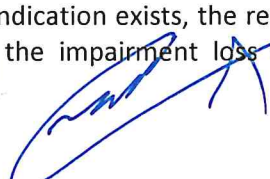
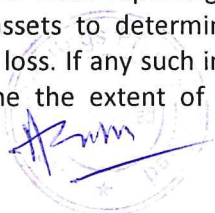
Financial assets (other than at fair value)

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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest 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.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

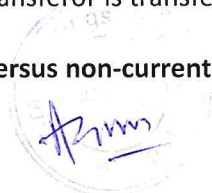
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement 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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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;
- 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

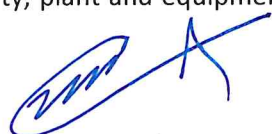
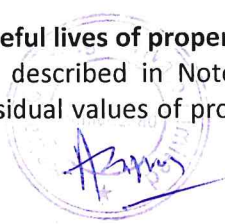
The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

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 will be already achieved, no significant element of estimation are present.

u) New and amended standards:

Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED,
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The Company does not have such transaction hence amendment does not have an impact on the Company's financial statements.

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3 PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, RIGHT TO USE OF ASSETS AND CAPITAL WORK IN PROGRESS (CWIP)										
Sr. No.	Assets	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION AND AMORTISATION			NET CARRYING AMOUNT		(Rs. In millions)
		As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	For the year	Disposals/ Adjustments	As at March 31, 2025	
A	PROPERTY, PLANT AND EQUIPMENT									
1	Land	264.06	-	-	264.06	-	-	-	264.06	264.06
2	Building	265.85	1.26	0.03	267.08	19.48	9.99	0.00	237.61	246.37
		265.85	-	-	265.85	9.49	9.98	-	246.37	256.35
3	Plant & Machinery (a) Owned, other than as defined in (b) below	306.99	15.33	1.23	321.09	48.46	24.14	0.26	72.34	258.53
	(b) Assets given under operating lease (Refer note (i) below)	287.77	19.22	-	306.99	23.64	24.81	-	48.46	264.12
		-	20.94	-	20.94	-	1.54	-	1.54	-
4	Furniture and Fixtures	61.35	14.08	-	75.44	7.56	6.60	-	14.15	53.80
		41.60	19.76	-	61.35	2.14	5.41	-	7.56	39.45
5	Vehicles	6.51	-	-	6.51	1.78	0.84	-	2.62	4.72
		15.24	-	8.73	6.51	1.96	1.76	1.94	4.72	13.28
6	Computers and Office Equipments	19.43	14.90	-	34.34	5.60	6.01	-	11.60	13.84
		14.16	5.27	-	19.43	1.57	4.03	-	5.60	12.59
	Total	924.19	66.52	1.26	989.45	82.87	49.12	0.27	131.72	841.32
		888.67	44.25	8.73	924.19	38.81	46.00	1.94	82.87	849.86
B	GOODWILL									
1	Goodwill	548.99	-	-	548.99	-	-	-	548.99	548.99
		548.99	-	-	548.99	-	-	-	548.99	548.99
	Total	548.99	-	-	548.99	-	-	-	548.99	548.99
C	OTHER INTANGIBLE ASSETS									
1	Computer Software	4.97	7.72	-	12.70	1.04	2.13	-	3.17	3.93
		4.97	-	-	4.97	0.05	0.99	-	1.04	4.93
2	Brands	1,316.75	-	-	1,316.75	376.21	188.11	-	564.32	940.54
		1,316.75	-	-	1,316.75	188.11	188.11	-	376.21	1,128.64
3	Distribution Network	526.85	-	-	526.85	150.53	75.26	-	225.79	376.32
		526.85	-	-	526.85	75.26	75.26	-	150.53	451.59
4	Trade Mark	0.10	-	-	0.10	0.04	0.02	-	0.06	0.06
		0.10	-	-	0.10	0.04	0.02	-	0.04	0.08
	Total	1,848.67	7.72	-	1,856.40	527.82	265.52	-	793.34	1,320.85
		1,848.67	-	-	1,848.67	263.43	264.39	-	527.82	1,585.24



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

(Rs. In millions)										
Sr. No.	Assets	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION AND AMORTISATION			NET CARRYING AMOUNT		
		As at April 1, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025	As at April 1, 2024	For the year	Disposals/ Adjustments	As at March 31, 2025	As at March 31, 2024
D	RIGHT OF USE ASSETS									
1	Leasehold Land	113.76	-	-	113.76	2.41	1.21		110.14	111.34
		113.76	-	-	113.76	1.21	1.21		111.34	112.55
2	Buildings	-	47.08	0.50	46.58	-	15.65		30.93	-
			47.08	0.50	160.34	2.41	16.86		141.07	111.34
	Total	113.76	-	-	113.76	1.21	1.21		111.34	112.55

Note (i): The Company has given Colour Dispenser Machines and Gyro Shakers on operating lease to its dealers. The Company enters into three years cancellable lease agreements. However, the corresponding lease rentals may be receivable for a shorter period or may be waived off. The minimum aggregate lease payments to be received in future is considered as Rs. Nil. Accordingly, the disclosure of the present value of minimum lease payments receivable at the Balance Sheet date is not made. Depreciation is provided on Useful Life of 5 years - as estimated by management.

Note (ii) Figure in bold are of current year and in italics are of the previous years.

E CAPITAL WORK IN PROGRESS (CWIP) AGEING SCHEDULE:

Particulars	(Rs. In millions)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025					
Projects in progress	14.04	0.11	-	-	14.15
Total	14.04	0.11	-	-	14.15
As at March 31, 2024					
Projects in progress	1.90	-	-	-	1.90
Total	1.90	-	-	-	1.90

Note (i): Figure in bold are of current year and in italics are of the previous years.



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

4 OTHER FINANCIAL ASSETS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
(Unsecured, considered good)		
Security deposits	6.93	2.47
Total	6.93	2.47
Current		
(Unsecured, considered good)		
Security deposits	7.87	7.91
Employee Gratuity Fund (net)	-	3.55
Interest accrued on loans and deposits from others	0.01	-
Total	7.87	11.47

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

5 DEFERRED TAX ASSETS (NET)

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets (Net)	81.54	21.10
Total	81.54	21.10

Deferred tax liabilities/(assets) in relation to :

(Rs. In Million)

Sr	Particulars	As at April 1, 2024	Recognised in Profit and Loss statement	As at March 31, 2025
a	Depreciation and Amortisation	31.97	(23.68)	8.29
b	Provision For doubtful trade receivable	(16.93)	0.06	(16.87)
c	Disallowances under section 43B of the Income Tax Act, 1961 and others	(36.14)	(36.82)	(72.95)
	Deferred tax Liabilities / (Assets)	(21.10)	(60.44)	(81.54)

(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)	(16.93)
c	Disallowances under section 43B of the Income Tax Act,	(42.33)	6.19	(36.14)
	Deferred tax Liabilities / (Assets)	(21.18)	0.08	(21.10)

6 OTHER ASSETS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital Advances	0.45	0.00
Prepaid Expenses	2.37	2.82
Total	2.82	2.82
Current		
Prepaid Expenses	3.39	3.85
Balances with Government authorities	54.41	0.19
Advances to Suppliers	7.66	4.56
Total	65.46	8.60

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	158.15	100.86
Work-in-Progress	42.72	29.40
Stock In Trade	22.70	5.84
Finished Goods	332.82	211.46
Packing Materials	20.26	14.16
Stores, Spares and Consumables	12.32	7.30
Total	588.98	369.02

8 TRADE RECEIVABLES

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good	513.62	421.46
Unsecured, considered doubtful	67.02	67.30
Less : Allowance for doubtful debts (expected credit loss allowance)	(67.02)	(67.30)
Total	513.62	421.46

Note Refer Note 36 for information about credit risk and market risk of Trade receivables.

Break-up of trade receivables

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from other than related parties	513.52	421.46
Receivables from related parties (refer note 34)	0.11	0.00
Total	513.62	421.46

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, 2025	As at March 31, 2024
Balance at the beginning of the year	67.30	40.60
Add : Movement during the year	(0.28)	26.70
Balance at the end of the year	67.02	67.30

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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, 2025							
Undisputed Trade Receivables – considered good	383.46	122.24	7.92	-	-	-	513.62
Undisputed Trade receivable – credit impaired	-	-	7.27	10.55	14.25	34.95	67.02
Total	383.46	122.24	15.19	10.55	14.25	34.95	580.64
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

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

9 CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on Hand	0.51	0.27
Balances with Banks in current accounts	55.82	60.95
Investment in mutual funds	30.60	181.53
Total	86.93	242.75

10 OTHER BALANCES WITH BANKS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
In deposit accounts (with maturity less than 12 months from the balance sheet date)	0.10	0.10
Total	0.10	0.10

11 LOANS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Current (Unsecured, considered good)		
Loans and Advances to Employees	1.52	0.70
Total	1.52	0.70

12 TAX ASSETS

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Income tax receivable (net of tax liabilities)	0.80	84.76
Total	0.80	84.76

13 EQUITY SHARE CAPITAL

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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.

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, 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
Add: Shares issued during the year	-	-
Balance as at March 31, 2025	38,00,00,000	3,800.00

Note 1: 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, 2025	As at March 31, 2024
Astral Limited (Holding Company)	No. of Shares	30,39,99,998	30,39,99,998
	% of Shares Held	79,99,999.95	79,99,999.95
Anand Gandotra	No. of Shares	4,74,93,128	4,74,93,128
	% of Shares Held	12,49,819.16	12,49,819.16
Nitin Gandotra	No. of Shares	1,90,06,840	1,90,06,840
	% of Shares Held	5,00,180.00	5,00,180.00
Pratibha Gandotra	No. of Shares	56,99,968	56,99,968
	% of Shares Held	1,49,999.16	1,49,999.16
Ashwani Gandotra	No. of Shares	38,00,064	38,00,064
	% of Shares Held	1,00,001.68	1,00,001.68

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, 2025			
Astral Limited (Holding Company)	30,39,99,998	80.00	-79,99,919.95
Anand Gandotra	4,74,93,128	12.50	-12,49,806.66
Nitin Gandotra	1,90,06,840	5.00	-5,00,175.00
Pratibha Gandotra	56,99,968	1.50	-1,49,997.66
Ashwani Gandotra	38,00,064	1.00	-1,00,000.68
Sandeep Engineer	1	0.00	-0.03
Jagruti Engineer	1	0.00	-0.03
As at March 31, 2024			
Astral Limited (Holding Company)	30,39,99,998	79,99,999.95	NA
Anand Gandotra	4,74,93,128	12,49,819.16	(0.74)
Nitin Gandotra	1,90,06,840	5,00,180.00	-
Pratibha Gandotra	56,99,968	1,49,999.16	(0.94)
Ashwani Gandotra	38,00,064	1,00,001.68	(0.86)
Sandeep Engineer	1	0.03	NA
Jagruti Engineer	1	0.03	NA



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

14 OTHER EQUITY

(Rs. In Million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Balance at the beginning of the year	(19.77)	(10.52)
Add : Profit / (Loss) For the year	(166.02)	(10.13)
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(4.62)	0.88
Total	(190.41)	(19.77)

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 PROVISIONS

(Rs. In Million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Provision for Employee Benefits (refer note 31)	3.74	2.93
Total	3.74	2.93
Current		
Provision for Employee Benefits (refer note 31)	5.52	1.50
Total	5.52	1.50

16 TRADE PAYABLES

(Rs. In Million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Total outstanding dues of micro enterprises and small enterprises (Note a & d)	37.19	43.61
Total	37.19	43.61
total outstanding dues of creditors other than micro enterprises and small enterprises	216.16	112.49
Total	216.16	112.49

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 36 for information about credit risk, market risk and liquidity risk of Trade payables.
- c **DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.**

Particulars	As at March 31, 2025	As at March 31, 2024
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	37.19	43.61
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	-	-



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

d. Trade Payables Ageing Schedule

Particulars	Unbilled Dues	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 years	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises	-	37.19	-	-	-	-	37.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	18.64	154.05	43.21	0.18	0.01	0.08	216.16
Total	18.64	191.24	43.21	0.18	0.01	0.08	253.35
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



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

17 OTHER FINANCIAL LIABILITIES

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Payable for capital goods	12.02	1.23
Others	38.37	23.44
Total	50.39	24.67

18 OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory dues	24.90	23.35
Advance received from customers	1.95	0.89
Total	26.84	24.24







ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

19 REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products	1,955.52	1,848.92
Other operating revenues	5.38	2.38
Total	1,960.90	1,851.30

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 18 respectively.

20 OTHER INCOME

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income comprises		
From Banks	0.01	3.36
From Others	1.95	0.10
Profit on Sale of Current Investments (Net)	7.43	42.27
Foreign exchange gains (Net)	0.46	0.57
Profit on Sale of Property, Plant and Equipment (Net)	4.31	-
Miscellaneous Income	1.90	3.49
Total	16.06	49.80

21 COST OF MATERIALS CONSUMED

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of Raw Material:		
Inventories at the beginning of the year	100.86	170.29
Add : Purchases	1,201.65	931.66
Less : Inventories at the end of the year	158.15	100.86
Total [A]	1,144.36	1,001.10
Consumption of Packing Material:		
Inventories at the beginning of the year	14.16	14.89
Add : Purchases	187.25	161.30
Less : Inventories at the end of the year	20.26	14.16
Total [B]	181.15	162.03
Total [A]+[B]	1,325.50	1,163.13

22 PURCHASE OF STOCK-IN-TRADE

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Purchase of trading material	40.85	16.99
Total	40.85	16.99



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year		
Finished Goods	332.82	211.46
Work-in-progress	42.72	29.40
Stock In Trade	22.70	5.84
	398.25	246.71
Inventories at the beginning of the year		
Finished Goods	211.46	166.96
Work-in-progress	29.40	-
Stock In Trade	5.84	-
	246.71	166.96
Net (Increase) / Decrease	(151.55)	(79.75)

24 EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	308.19	222.98
Contribution to Provident and Other Funds (Refer Note 31)	10.67	9.63
Staff Welfare Expenses	18.79	16.60
Total	337.65	249.20

25 FINANCE COSTS

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense		
Working capital and term loans	-	13.88
Others	2.61	0.28
Other borrowing costs	0.03	0.03
Total	2.64	14.20

26 DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. In Million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on Property, Plant and Equipment (Note 3 (A))	49.12	46.00
Amortisation on Intangible assets (Note 3 (C))	265.52	264.39
Amortisation on Right of use assets (Note 3 (D))	16.86	1.21
Total	331.49	311.59

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

27 OTHER EXPENSES

(Rs. In Million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of Stores, Spares and Packing Materials	19.47	6.28
Power and Fuel	14.21	12.95
Rent	11.22	17.07
Repairs expenses	11.90	11.73
Insurance expenses	6.50	4.09
Rates and Taxes	3.17	2.13
Communication expenses	4.83	3.65
Travelling expenses	48.55	23.97
Factory and Other expenses	12.73	2.40
Printing and stationary expenses	2.54	1.79
Freight and Forwarding	49.06	38.53
Sales Promotions	62.60	12.00
Directors Sitting Fees	0.32	0.27
Donations and Contributions	0.00	0.00
Security Service Charges	14.14	9.78
Legal and Professional	51.91	47.00
Payments to Auditors **	1.20	1.50
Provision for Doubtful Trade Receivables	-	26.70
Loss on Sale of Property, plant and equipment (Net)	-	3.06
Other Expenses	6.95	10.88
Total	321.31	235.78

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

(Rs. In Million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a For Statutory Audit and Certification charges	1.20	1.50

28 TAX EXPENSES

(Rs. In Million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
In respect of the current year	-	-
In respect of earlier years	(4.48)	-
	(4.48)	-
Deferred tax		
In respect of the current year	(60.43)	0.08
Total	(60.43)	0.08

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit / (Loss) before tax	(230.93)	(10.05)
Income tax expense @25.168%	(58.12)	(2.53)
Tax effect of the amounts which are not deductible / (taxable) in calculating		
Effect of allowances and others	(2.31)	2.61
Total	(60.43)	0.08
Adjustments in respect of current income tax of previous year	(4.48)	-
Tax expense as per Statement of Profit and Loss	(64.91)	0.08

The Company's weighted average tax rates for the period ended March 31, 2025 and March 31, 2024 is 26.17% and -0.77% respectively.

29 EARNINGS / (LOSS) PER SHARE

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit / (Loss) before tax (Rs. In Million)	(166.02)	(10.13)
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.)	(0.44)	(0.03)
Diluted Earnings / (Loss) Per Share (In Rs.)	(0.44)	(0.03)



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

30. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(Rs. In Million)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
Contingent liabilities			
1	Disputed Income Tax/Central Excise/Sales Tax and PF demands*	-	-
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	9.01	0.32
2	Letters of Credits for Purchases	1.05	5.59

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

31. EMPLOYEE BENEFITS:

Post-employment Benefit

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 24 Rs. 8.14 Million (Previous Year: Rs 6.74 Million)

Defined Benefit Plan:

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

General Description of the Plan:

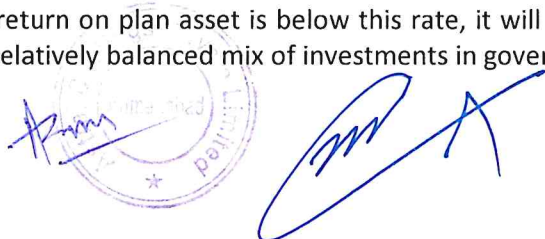
The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

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

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

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

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




ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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, 2025	As at March 31, 2024
Obligations at the beginning of the Year	35.95	32.91
Current service cost	2.76	2.21
Interest cost	2.59	2.44
Actuarial (gain) / loss – due to change in financial assumptions	1.10	0.35
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (gain) / loss- due to experience adjustments	3.76	(1.10)
Benefits paid	(3.40)	(0.86)
Present value of benefit obligation at the end of the year	42.75	35.95

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

Particulars	(Rs. In Million)	
	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Plan assets at the beginning of the year, at fair value	39.50	24.50
Interest Income	2.85	1.82
Return on plant assets excluding interest income	0.24	0.13
Contributions from the employer	-	13.91
Benefits paid	(3.40)	(0.86)
Fair value of plan assets at the end of the year	39.18	39.50

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

Particulars	(Rs. In Million)	
	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at the end of the year	42.75	35.95
Fair value of plan assets at the end of the year	39.18	39.50
Net (Asset) / liability arising from defined benefit obligation	3.57	(3.55)

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



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. In Million)

Particulars	Gratuity	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	2.76	2.21
Net Interest expense	(0.26)	0.62
Components of defined benefit costs recognised in the Statement of Profit and Loss	2.50	2.83
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the year	4.86	(0.75)
Return on plan assets, excluding interest income	(0.24)	(0.13)
Components of defined benefit costs recognised in Other Comprehensive Income	4.62	(0.88)
Total	7.12	1.95

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, 2025 as follows:

(Rs. In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
1st Following Year	10.48	9.17
2nd Following Year	3.21	4.21
3rd Following Year	3.27	2.19
4th Following Year	3.84	2.91
5th Following Year	3.91	3.56
Sum of Years 6 To 10	15.98	14.32
Thereafter	27.51	20.64

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.

(Rs. In Million)

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Delta effect of +1% change in the rate of Discounting	(2.18)	(1.66)
Delta effect of -1% change in the rate of Discounting	2.46	1.87
Delta effect of +1% change in the rate of salary Increase	2.35	1.78
Delta effect of -1% change in the rate of salary increase	(2.12)	(1.62)
Delta effect of +1% change in the rate of employee turnover	(0.11)	0.03
Delta effect of -1% change in the rate of employee turnover	0.11	(0.04)

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.

ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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. 7.95 million (as at March 31, 2024: Rs. Nil) 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, 2025	Year ended March 31, 2024
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.

32. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY:

In the previous year ended March 31, 2024, there was no profit reported by Company as per Section 198 of the Companies Act, 2013, hence no amount was required to be spent on Corporate Social Responsibility in the current year ended March 31, 2025.

33. 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Nil					





ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

34. RELATED PARTY DISCLOSURES:

1. NAME OF THE RELATED PARTIES AND THEIR RELATIONSHIPS

Description of Relationship	Name of Related Parties
a. Parent Company	Astral Limited
b. 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 (discontinue w.e.f. 31.03.2024) Ayisra Tech Solutions LLP ASG Trust
c. Key Managerial Personnel	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) Saumya Sandeep Engineer (Non Executive Non Independent Director) Kairav Sandeep Engineer (Non Executive Non Independent Director) 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 and resigned on 30.09.2024) Chintankumar Patel (Appointed as Company Secretary w.e.f. 07.11.2024)
d. Relatives of Key Managerial Personnel	Nitin Gandotra Pratibha Gandotra Nalin Gandotra Payal Suvrat Thatte Vandana Gandotra Aashna Gandotra





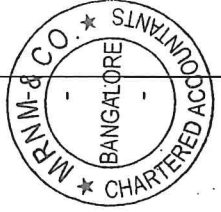
ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED)
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2025

(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	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Transactions										
Amount paid for reimbursement of expenses/capital goods/capital services										
Astral Limited	60.29	48.96	-	0.66	-	-	-	-	60.29	49.62
Anabha Ventures Private Limited	60.29	48.96	-	-	-	-	-	-	60.29	48.96
Purchase of Goods/Service	19.43	19.13	12.35	71.69	-	-	-	-	31.78	90.82
Astral Limited	19.43	19.13	-	-	-	-	-	-	19.43	19.13
Anabha Ventures Private Limited	-	-	-	61.99	-	-	-	-	-	61.99
L91	-	-	-	6.96	-	-	-	-	-	6.96
Kairamya Journeys LLP	-	-	12.32	2.71	-	-	-	-	12.32	2.71
Others	-	-	0.03	0.04	-	-	-	-	0.03	0.04
Payment for Brand usage charges	1.67	0.92	-	-	-	-	-	-	1.67	0.92
Astral Limited	1.67	0.92	-	-	-	-	-	-	1.67	0.92
Sale of fixed asset	-	-	-	-	-	-	-	6.19	-	6.19
Nalin Gandotra	-	-	-	-	-	-	-	3.41	-	3.41
Vandana Gandotra	-	-	-	-	-	-	-	1.37	-	1.37
Aashna Gandotra	-	-	-	-	-	-	-	0.96	-	0.96
Others	-	-	-	-	-	-	-	0.46	-	0.46
Remuneration	-	-	23.40	-	40.40	4.60	28.00	45.00	28.00	45.00
Hiranand Savlani	-	-	-	-	20.00	-	-	-	-	20.00
Anand Sarup Gandotra	-	-	13.20	-	13.20	-	13.20	13.20	13.20	13.20
Ashwani Gandotra	-	-	7.20	-	7.20	-	7.20	7.20	7.20	7.20
Nitin Gandotra	-	-	-	-	-	4.60	4.60	4.60	4.60	4.60
Saumya Engineer	-	-	3.00	-	-	-	3.00	-	3.00	-



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Holding Company		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Sale of Goods										
Astral Limited	8.38	2.18	0.05	-	-	-	-	-	8.43	2.18
Others	8.38	2.18	-	-	-	-	-	-	8.38	2.18
	-	-	0.05	-	-	-	-	-	0.05	-
Rent paid	1.42	-	1.62	0.83	-	-	-	-	3.04	0.83
Anabha Ventures Private Limited	-	-	1.62	0.83	-	-	-	-	1.62	0.83
Astral Limited	1.42	-	-	-	-	-	-	-	1.42	-
Rent income	-	-	0.27	-	-	-	-	-	0.27	-
Anabha Ventures Private Limited	-	-	0.27	-	-	-	-	-	0.27	-
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	-	-	-	-	0.29	0.27	-	-	0.29	0.27
Viral Zaveri	-	-	-	-	0.14	0.14	-	-	0.14	0.14
Kaushal Nakrani	-	-	-	-	0.14	0.14	-	-	0.14	0.14
Balance										
Payables	43.20	-	0.26	0.26	1.39	1.37	0.29	0.29	45.15	1.92
Astral Limited	43.20	-	-	-	-	-	-	-	43.20	-
Anabha Ventures Private Limited	-	-	0.11	-	-	-	-	-	0.11	-
Kairamya Journeys LLP	-	-	0.15	-	-	-	-	-	0.15	-
Anand Sarup Gandotra	-	-	-	-	0.74	0.74	-	-	0.74	0.74
Ashwani Gandotra	-	-	-	-	0.43	0.43	-	-	0.43	0.43
Saumya Engineer	-	-	-	-	0.23	-	-	-	0.23	-
Nitin Gandotra	-	-	-	-	-	-	0.29	0.29	0.29	0.29
L91	-	-	-	0.21	-	-	-	-	-	0.21
Hiranand Savlani	-	-	-	-	-	0.20	-	-	-	0.20



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Holding Company		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Others	-	-	-	0.05	-	-	-	-	-	0.05
Receivables	0.05	-	0.06	0.00	-	-	-	-	0.11	0.00
Astral Limited	0.05	-	-	-	-	-	-	-	0.05	-
Anabha Ventures Private Limited	-	-	0.06	-	-	-	-	-	0.06	-
Others	-	-	0.00	0.00	-	-	-	-	0.00	0.00

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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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, 2025	Year ended March 31, 2024
Short term Benefits	23.40	40.40
Sitting fees	0.29	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, 2025 and as at March 31, 2024.
- 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.

35. LEASE:

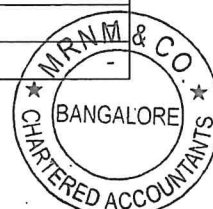
Company as a lessee:

The Company's lease asset classes primarily consist of leases for Property, Plant and Equipments and Plant & Machinery.

The Company has lease contracts for land and buildings used in its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

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

Particulars	Right of Use Assets (Refer Note 3)		Lease Liabilities	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	111.34	112.55	-	-
Add: Additions during the year	47.08	-	47.08	-
Less: Amortisation of expenses	(16.86)	(1.21)	-	-
Less: Disposal/ Adjustment/ Deductions	(0.50)	-	(0.51)	-
Add: Interest Expenses	-	-	2.12	-
Less: Payments	-	-	(16.56)	-
Balance at the end of the year	141.07	111.34	32.12	-
Current			16.67	
Non-current			15.45	



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amortisation expense of right-of-use assets	16.86	1.21
Interest expense on lease liabilities	2.12	-
Expense relating to short-term leases (included in other expenses)	11.22	17.07
Total amount recognised in statement of profit and loss	30.20	18.28

Company as a lessor

The Company has given Computerised Colour Dispenser machines and Gyro Shakers under operating leases to various dealers and customers. These have been disclosed under 'Plant and Machinery' as 'assets given under operating lease' in note 3 (Property, plant and equipment). The Company enters into 3 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as Rs. Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance sheet date is not made.





ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

36 Financial instruments

1 Capital management

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

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

The company's chief financial officer 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, 2025	March 31, 2024
Debt (note i)	-	-
Less : Cash and cash equivalents	86.93	242.75
Net debt	-	-
Equity share capital	3,800.00	3,800.00
Other equity	(190.41)	(19.77)
Total equity	3,609.59	3,780.23
Net debt to equity ratio	-	-

i Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings, as described in notes 17).

2 Category-wise classification of financial instruments

Particulars	(Rs. in Million)	
	As at	
	March 31, 2025	March 31, 2024
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents and other bank balances (Note 9 & 10)	87.03	242.85
b Financial assets (Note 4 & 11)	529.95	436.10
Total	616.97	678.95
Financial liabilities		
Measured at amortised cost		
a Financial liabilities (Note 16 & 17 & 35)	335.87	180.77
Total	335.87	180.77

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, lease liabilities, 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.





ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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:

Particulars	(In Million)	
	As at March 31, 2025	As at March 31, 2024
Liabilities (Foreign currency)		
In US Dollars (USD)	0.01	0.03

Particulars	(Rs. in Million)	
	As at March 31, 2025	As at March 31, 2024
Liabilities (INR)		
In US Dollars (USD)	1.02	2.52

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

Particulars	(Rs. in Million)	
	As at March 31, 2025	As at March 31, 2024
Increase in exchange rate by 5%	(0.05)	(0.13)
Decrease in exchange rate by 5%	0.05	0.13



ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 and lease liability obligations 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 and lease liabilities 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, 2025	100 bps	(0.32)
As at March 31, 2024	100 bps	-

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, 2025				
Non-derivative financial liabilities 				
Financial Liabilities (Note 16, 17 & 35)	335.87	320.42	15.45	335.87
Total	335.87	320.42	15.45	335.87
As at March 31, 2024				
Non-derivative financial liabilities 				
Financial Liabilities (Note 16, 17 & 35)	180.77	180.77	-	180.77
Total	180.77	180.77	-	180.77




ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED, ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

37 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2025 (Rs. In million)	March 31, 2024 (Rs. In million)	% Change	Note
Current Ratio	Current Assets	Current Liabilities	3.59	5.51	-35%	a
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	9.59	0.14	6750%	b
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.04)	(0.00)	1579%	c
Inventory turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Inventory	2.54	3.05	-17%	
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.19	4.11	2%	
Trade payables turnover ratio	Cost of materials consumed + Purchase of Traded goods + Changes in inventories	Average Trade Payables	5.93	6.99	-15%	
Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	2.15	1.99	8%	
Net profit ratio	Profit for the year	Revenue from operations	(0.08)	(0.01)	1447%	d
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.10)	0.00	-5027%	e

Note a: Decline mainly represent reduction in Cash & Cash equivalents and increase in trade payables and financial liabilities.

Note b: The Company does not have any borrowings during the year under consideration.

Note c & d: Due to Decline in Profit after Tax as compare to Previous year.

Note f: Return on capital employed is reduced due to reduction in net profit margins.



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ASTRAL COATINGS PRIVATE LIMITED
(FORMERLY KNOWN AS GEM PAINTS PRIVATE LIMITED
ORIGINALLY INCORPORATED AS ESHA PAINTS PRIVATE LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

38. TRANSACTIONS WITH STRUCK OFF COMPANIES

There are no transactions with struck off companies during the year ended March 31, 2025 and March 31, 2024.

39. 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.

40. SEGMENT REPORTING

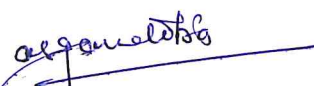
The Company operates in one reportable business segment i.e., manufacturing of paints and is primarily operating in India and there are no Geographical Segments as export turnover is not significant in respect of total turnover. Accordingly, there are no separate reportable business segments as per Ind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

41. 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
Astral Coatings Private Limited
(Formerly known as Gem Paints Private Limited
Originally incorporated as Esha Paints Private Limited)
CIN: U24222GJ2022PTC151610


(Anand Sarup Gandotra)
Director
DIN : 00049342


(Ashwani Gandotra)
Director
DIN:00049386


(Hiranand Savlani)
Chief Financial Officer

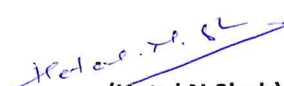

(Chintankumar Patel)
Company Secretary

Place : Ahmedabad
Date : April 22, 2025



For M R N M & CO
Chartered Accountants

ICAI Firm Registration No : 0130725


(Hetal N Shah)
Partner
Membership No : 223229



Place : Bengaluru
Date : April 22, 2025

ASTRAL FOUNDATION

Financial Statements

FY 2024-2025

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 2025, 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 2025, and its deficit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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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'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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.



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 : 25116743BMHVZB3663

Place : Ahmedabad

Date : **28 APR 2025**



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

BALANCE SHEET AS AT MARCH 31, 2025

		(₹ in Lacs)	
Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(A)	12.72	15.61
(b) Other Intangible assets	3(B)	0.34	0.54
Total non-current assets		13.06	16.15
Current assets			
(a) Financial assets			
(i) Cash and Cash equivalents	4	3.86	3.66
(b) Other current assets	5	29.84	31.14
Total current assets		33.70	34.80
Total assets		46.76	50.95
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	1.00	1.00
(b) Other equity	7	45.07	48.75
Total equity		46.07	49.75
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
a total outstanding dues of micro enterprises and small enterprises	8	-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises		0.35	0.35
(ii) Other financial liabilities			
(b) Other current liabilities	9	0.22	0.20
Total current liabilities	10	0.12	0.65
Total liabilities		0.69	1.20
Total equity and liabilities		0.69	1.20
		46.76	50.95

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 : 28.04.2025



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

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 28.04.2025

Jagru S. Engineer
Director
DIN : 00067276



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

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED ON MARCH 31, 2025

		(₹ in Lacs)	
Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
INCOME			
Revenue from operations			
Grant received		1,280.03	1,095.73
Other income		0.97	1.16
Total	11	1,281.00	1,096.89
EXPENDITURE			
Activities against grant receipt			
Depreciation and amortisation expenses	12(A)	1,281.01	1,080.97
Other expenses	3	3.09	3.10
	12(B)	0.58	0.63
Total		1,284.68	1,084.70
Surplus/(Deficit) during the year		(3.68)	12.19

See accompanying notes to the financial statements

As per report of even date

For G. K. Choksi & Co.

Firm Registration No : 101895W

Chartered Accountants

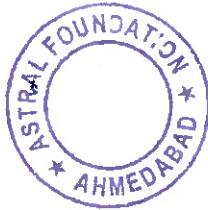
VARTIK R. CHOKSI

Partner

Membership No : 116743

Place : Ahmedabad

Date : 28.04.2025



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

CIN : U85300GJ2020NPL112779

Sandeep P. Engineer

Director

DIN : 00067112

Place : Ahmedabad

Date : 28.04.2025

Jagru S. Engineer

Director

DIN : 00067276

Place : Ahmedabad

Date : 28.04.2025



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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lacs)

Sr No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A	Cash flows from operating activities		
	Surplus/(Deficit)		
	Adjustments for :	(3.68)	12.19
	Depreciation expense		
	Interest income	3.09	3.10
	Operating profit before Working Capital Changes	(0.97)	(1.16)
	Changes in working capital :	(1.56)	14.13
	Other current assets		
	Trade and other payables	1.30	(13.63)
	Cash generated from operations	(0.51)	(1.07)
	Income taxes (Paid) /Refund	(0.77)	(0.57)
	Net cash generated from Operating Activities [A]	-	-
		(0.77)	(0.57)
B	Cash flows from investing activities		
	Interest received		
	Net Cash flow used in Investing Activities [B]	0.97	1.16
		0.97	1.16
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]	-	-
	Cash and cash equivalents at the beginning of the year	0.20	0.59
	Cash and Cash Equivalents at the end of the year (Note 4)	3.66	3.07
		3.86	3.66

Notes :

- 1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
- 2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the surplus / (deficit) for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

See accompanying notes to the financial statements

As per report of even date

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

Chartered Accountants

VARTIK R. CHOKSI
Partner
Membership No : 116743
Place : Ahmedabad
Date : 28.04.2025



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

CIN : U85300GJ2020NPL112779

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 28.04.2025

Jagriti 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, 2025

a Equity share capital (Note 6)

(₹ in Lacs)	
Particulars	Amount
Balance as at April 1, 2023	1.00
Add: Issue of equity share capital	-
Balance as at March 31, 2024	1.00
Add: Issue of equity share capital	-
Balance as at March 31, 2025	1.00

b Other Equity (Note 7)

(₹ in Lacs)	
Particulars	Amount
Balance as at April 1, 2023	Retained earnings
Surplus/(Deficit) during the year	36.56
Balance as at March 31, 2024	12.19
Surplus/(Deficit) during the year	48.75
Balance as at March 31, 2025	(3.68)
	45.07

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 : 28.04.2025



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

CIN : U85300GJ2020NPL112779


Sandeep P. Engineer

Director

DIN : 00067112

Place : Ahmedabad

Date : 28.04.2025


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, 2025

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.

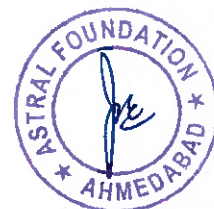
The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements 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, 2025

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.

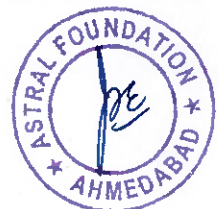
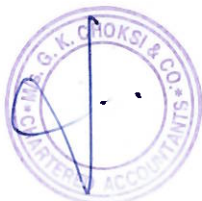
In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken 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, 2025

(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.

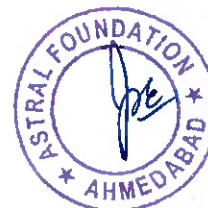
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle 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, 2025

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

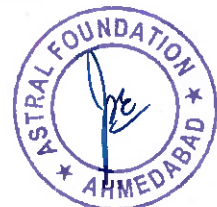
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

(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, 2025

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 months after the reporting period
- All other assets are classified as non-current.

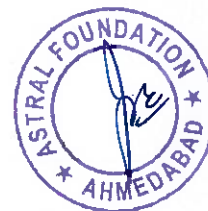
A liability is current when:

- i) It is expected to be settled in 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 reporting period

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 and cash equivalents. The Company has identified twelve months as its operating cycle.



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, 2025

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, 2024	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	For the Year	Disposals	As at March 31, 2025	As at March 31, 2024	
A. TANGIBLE ASSETS											
1	Vehicles	24.32	-	-	24.32	8.71	2.89	-	12.72	15.61	
	Total	24.32	-	-	24.32	8.71	2.89	-	12.72	15.61	
		(24.32)	-	-	(24.32)	(5.81)	(2.90)	-	(15.61)		
B. INTANGIBLE ASSETS											
1	Web Portal	1.00	-	-	1.00	0.46	0.20	-	0.34	0.54	
	Total	1.00	-	-	1.00	0.46	0.20	-	0.34	0.54	
		(1.00)	-	-	(1.00)	(0.26)	(0.20)	-	(0.54)		

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, 2025

4 CASH AND CASH EQUIVALENTS

(₹ in Lacs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Cash on Hand	0.14	0.03
Balances with Banks in saving accounts	3.72	3.63
Total	3.86	3.66

5 OTHER CURRENT ASSETS

(₹ in Lacs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Advance to Suppliers	29.84	31.14
Total	29.84	31.14

6 EQUITY SHARE CAPITAL

(₹ in Lacs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital		
150,000 (Previous Year: 150,000) Equity Shares of ₹ 10/- each	15.00	15.00
10,000 (Previous year : 10,000) Equity Shares of ₹ 10/- each fully paid up	15.00	15.00
	1.00	1.00
Total	1.00	1.00

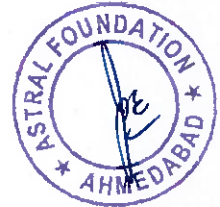
(a) Rights, preferences and restrictions attached to shares :

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, 2023	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2024	10,000	1.00
Add: Issue of equity share capital	-	-
Balance as at March 31, 2025	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, 2025

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, 2025	As at March 31, 2024
Astral Limited		
No. of Shares	10,000	10,000
% of Shares Held	100%	100%
% change during the year	0%	0%

- (d) 10,000 (as at March 31, 2024 : 10,000) equity shares of ₹ 10/- fully paid up are held by Parent Company - Astral Limited jointly with nominee.

7 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Balance at the beginning of the year	48.75	36.56
Add : Surplus/(Deficit) during the year	(3.68)	12.19
Total	45.07	48.75

8 TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
a total outstanding dues of micro enterprises and small enterprises (Note 16)	-	-
b total outstanding dues of creditors other than micro enterprises and small enterprises	0.35	0.35
Total	0.35	0.35

- a. Trade Payables Ageing Schedule

Particulars	As at March 31, 2025	As at March 31, 2024
Unbilled	0.35	0.35
Current but not due	-	-
Outstanding for following periods from due date of payment		
Less than 1 years	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	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, 2025

9 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Salary payable	0.22	0.20
Total	0.22	0.20

10 OTHER CURRENT LIABILITIES

(₹ in Lacs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	0.12	0.65
Total	0.12	0.65



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, 2025

11 OTHER INCOME

(₹ in Lacs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income : From Banks	0.97	1.16
Total	0.97	1.16

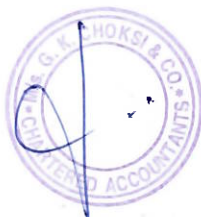
12(A) ACTIVITIES AGAINST GRANT RECEIPT

(₹ in Lacs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Activities against grant receipt	1,281.01	1,080.97
Total	1,281.01	1,080.97

Details of activities against grant receipt :

(₹ in Lacs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a. DRINKING WATER		
i Installation of piped drinking water supply*	-	13.07
Total	-	13.07
b. HEALTH		
i Health Infrastructure	243.01	232.49
ii Health Camps and awareness	55.47	20.00
Total	298.48	252.49
c. SKILL DEVELOPMENT		
i Skill Development Programs	3.38	4.95
Total	3.38	4.95
d. EDUCATION		
i Education Infrastructure	220.71	283.07
ii Educational Scholarship	21.25	40.55
Total	241.96	323.62
e. ENVIRONMENTAL PROJECTS		
i Wildlife conservation	313.20	117.51
ii Ecological Balance	345.51	313.76
Total	658.71	431.27
f. OTHERS		
i Setting up home	9.89	11.79
ii Rural Development	35.32	14.82
iii Others	33.27	28.96
Total	78.48	55.57
Total (a+b+c+d+e+f)	1,281.01	1,080.97

* Refer Note: 2(i)b - under notes forming part of the financial statements for the year ended march 31, 2025.



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

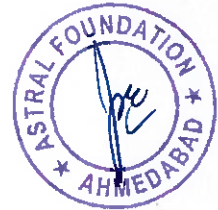
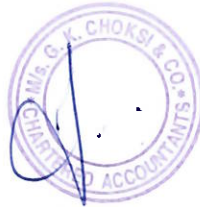
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

12(B) OTHER EXPENSES

(₹ in Lacs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Other expenses	0.21	0.26
Rates and taxes	0.02	0.02
Auditors Remuneration**	0.35	0.35
Total	0.58	0.63

** Auditors' Remuneration

(₹ in Lacs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(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, 2025

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)

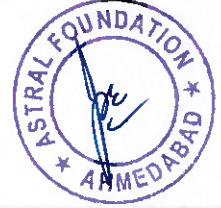
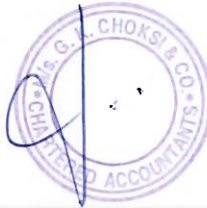
Mr. Sandeep Engineer

Mrs. Jagruti Engineer

(b) Summary of related party transactions

Sr. No.	Particulars	Holding Company		Enterprise over which key managerial personnel are able to exercise significant influence	
		2024-25	2023-24	2024-25	2023-24
		Transactions during the year			
i	Grant Received				
	Astral Limited	1,258.03	1,085.73	-	-
	Kairav Chemicals Limited	-	-	12.00	-
	Balance at the end of year	-	-	-	-

(₹ in Lacs)



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, 2025

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 :

Particulars	(₹ in Lacs)		
	Amortised cost	Fair value through other comprehensive income	Fair value through Profit and Loss (Statement of Income and expenditure)
As at March 31, 2025			
Financial assets			
Cash and cash equivalents (Note 4)	3.86	-	-
	3.86	-	-
As at March 31, 2024			
Financial assets			
Cash and cash equivalents (Note 4)	3.66	-	-
	3.66	-	-

(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

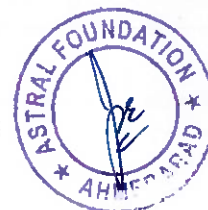
The company does not have any trade receivables at the end of the financial year.

(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

Particulars	(₹ in Lacs)			
	Less than 1 year	1-3 year	3-5 year	More than 5 years
As at March 31, 2025				
Non-derivatives				
Trade payable (Note 8)	0.35	-	-	-
Other financial liabilities (Note 9)	0.22	-	-	-
Total	0.57	-	-	-
As at March 31, 2024				
Non-derivatives				
Trade payable (Note 8)	0.35	-	-	-
Other financial liabilities (Note 9)	0.20	-	-	-
Total	0.55	-	-	-



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, 2025

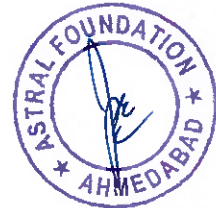
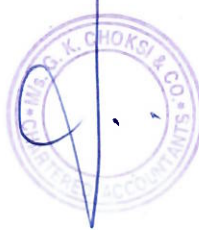
(c) Interest rate risk

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)

Sr. No.	Particulars	(₹ in Lacs)	
		As at March 31, 2025	As at March 31, 2024
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, 2025

17 Ratio Analysis

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% change
Current Ratio *	Current Assets	Current Liabilities	48.84	28.95	69%
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	Not Applicable	Refer Note below	Refer Note below
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 to change 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, 2025

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 : 28.04.2025



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

Sandeep P. Engineer
Director
DIN : 00067112
Place : Ahmedabad
Date : 28.04.2025

Jagrup S. Engineer.
Jagrup S. Engineer
Director
DIN : 00067276



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**ASTRAL PIPES LIMITED
31 DECEMBER 2024**

**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 2024

CONTENTS	PAGE NO.
COMPANY INFORMATION	2
REPORT OF THE DIRECTORS	3 - 4
STATEMENT OF DIRECTORS RESPONSIBILITIES	5
REPORT OF THE INDEPENDENT AUDITORS	6 - 8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF CASH FLOWS	12
ACCOUNTING POLICIES	13 - 22
NOTES TO THE FINANCIAL STATEMENTS	23 - 30

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 2024

The directors have pleasure in presenting to shareholders their annual report together with the audited financial statements for the year ended 31st December 2024.

PRINCIPAL ACTIVITIES

Dormant company.

RESULTS

The results for the year are as shown below:

	2024	2023
	<u>KSHS</u>	<u>KSHS</u>
Interest income	125,983	381,733
Profit/ (loss) before tax	426,407	(1,767,447)
Tax provision	37,795	114,520
Profit/ (loss) after tax	<u>388,612</u>	<u>(1,881,967)</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

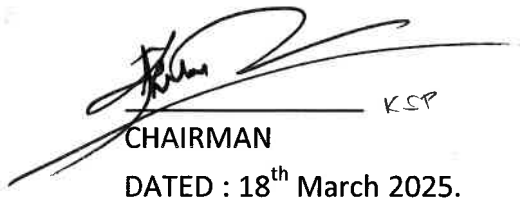
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

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 18th March 2025.



CHAIRMAN

DATED : 18th March 2025.

ASTRAL PIPES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 such internal control as they determine necessary to enable the 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 18th March 2025 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 30 which comprise the statement of financial position as at 31st December 2024, 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 2024, 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 Amee Chalishazar, Practising Certificate No. P1119

Amee Chalishazar



For and on behalf of B. C. PATEL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 45931 - 00100

Nairobi.

20th March 2025.

ASTRAL PIPES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <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	10,899,343	13,150,656
Cash and cash equivalents	5	<u>165,362</u>	<u>620,991</u>
		11,064,705	13,771,647
Total assets		<u>248,832,247</u>	<u>251,539,189</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>(931,136,927)</u>	<u>(931,525,539)</u>
		248,277,346	247,888,734
Current liabilities			
Trade and other payables	7	546,401	3,645,016
Tax liability		<u>8,500</u>	<u>5,439</u>
		554,901	3,650,455
Total equity and liabilities		<u>248,832,247</u>	<u>251,539,189</u>

The accounting policies and notes on pages 13 to 30 form an integral part of these financial statements.


DIRECTOR


DIRECTOR

ASTRAL PIPES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
Interest income	1(h)	125,983	381,733
Other income	10	2,762,392	112,210
Total income		<u>2,888,375</u>	<u>493,943</u>
Administrative expenses	11	<u>2,445,684</u>	<u>2,257,071</u>
Operating profit/ (loss)	12	442,691	(1,763,128)
Finance costs	13	<u>16,284</u>	<u>4,319</u>
Profit/ (loss) before tax		426,407	(1,767,447)
Tax provision	8	<u>37,795</u>	<u>114,520</u>
Profit/ (loss) after tax		388,612	(1,881,967)
Other comprehensive income, net of taxes		-	-
Total comprehensive income/ (loss) for the year		<u><u>388,612</u></u>	<u><u>(1,881,967)</u></u>

The accounting policies and notes on pages 13 to 30 form an integral part of these financial statements.

ASTRAL PIPES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	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 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>
Opening balance as at 1 st January 2024	100,000,000	720,000,000	359,414,273	(931,525,539)	247,888,734
Total comprehensive income for the year	-	-	-	388,612	388,612
Closing balance as at 31 st December 2024	<u>100,000,000</u>	<u>720,000,000</u>	<u>359,414,273</u>	<u>(931,136,927)</u>	<u>248,277,346</u>

ASTRAL PIPES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	14	(420,895)	678,636
Tax paid		(34,734)	(113,160)
Net cash generated from/ (used in) operating activities		<u>(455,629)</u>	<u>565,476</u>
Net increase/ (decrease) in cash and cash equivalents		<u><u>(455,629)</u></u>	<u><u>565,476</u></u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
At the beginning of the year		620,991	55,515
Movement during the year		(455,629)	565,476
At the end of the year	5	<u><u>165,362</u></u>	<u><u>620,991</u></u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024

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 2024

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 2024

1 ACCOUNTING POLICIES

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

Standards, amendments and interpretations effective on or after 1 January 2024

The following new and revised standards have become effective for the first time for the financial year beginning 1st January 2024 and have been adopted by the company where relevant to its operations:

New and Amendments to standards

Effective for annual periods beginning on or after

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 (SFA) – Amendments to IAS 7 and IFRS 7	1 January 2024

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

Non-current Liabilities with Covenants – Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments to IAS 1 require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: Carrying amount of the liability; information about the covenants and facts and circumstances (if any) that indicate that the entity may have difficulty complying with the covenants.

The amendment is effective for accounting periods beginning on or after 1 January 2024.

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 2024

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):

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

IASB finalised amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases in September 2022 which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendment is effective for accounting periods beginning on or after 1 January 2024.

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

Supplier finance arrangements (SFA) – Amendments to IAS 7 and IFRS 7

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

- (i) The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- (ii) The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers.
- (iii) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- (iv) Non-cash changes in the carrying amounts of financial liabilities.
- (v) Access to SFA facilities and concentration of liquidity risk with finance providers.

The amendment is effective for accounting periods beginning on or after 1 January 2024.

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 2024

1 ACCOUNTING POLICIES

(h) Revenue recognition

Interest income is recognised on receipt basis.

(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 2024

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 2024

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 2024

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 2024

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 2024

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 2024

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:

	2024	2023
	<u>KSHS</u>	<u>KSHS</u>
Trade and other receivables	17,468,037	20,230,429
Impairment loss allowance	<u>(17,468,037)</u>	<u>(20,230,429)</u>
Trade receivables - net	-	-
Other receivables	-	250,000
VAT claimable	10,896,754	10,622,517
Loan to related parties	<u>-</u>	<u>2,275,550</u>
Total	<u><u>10,896,754</u></u>	<u><u>13,148,067</u></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.

	2024	2023
	<u>KSHS</u>	<u>KSHS</u>
Trade and other payables	372,401	3,413,416
Due to related parties	<u>174,000</u>	<u>231,600</u>
Total	<u><u>546,401</u></u>	<u><u>3,645,016</u></u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
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 - Nairobi/Block125/1046 (Old title - L. R. No 209/14571, Nairobi)		59,521,714	59,521,714
Leasehold land - Nairobi/Block125/1046 (Old title - 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>
4 TRADE AND OTHER RECEIVABLES	1(n)		
Trade and other receivables		17,468,037	20,230,429
Impairment loss allowance		(17,468,037)	(20,230,429)
Trade receivables - net		-	-
Other receivables		-	250,000
VAT claimable		10,896,754	10,622,517
Loan to related parties		-	2,275,550
Tax recoverable		2,589	2,589
		<u>10,899,343</u>	<u>13,150,656</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		165,362	620,991
		<u>165,362</u>	<u>620,991</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <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		372,401	3,413,416
Due to related parties		<u>174,000</u>	<u>231,600</u>
		<u>546,401</u>	<u>3,645,016</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
8 TAX PROVISION	1(j)		
The income tax expense has been calculated using income tax rate of 30%.			
(a) Current tax		37,795	114,520
Deferred tax		-	-
		<u>37,795</u>	<u>114,520</u>

(b) Reconciliation of tax debit to the expected tax based on accounting profit/ (loss) :

The tax on the company's profit/ (loss) before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Profit/ (loss) before tax	426,407	(1,767,447)
Tax @ 30%	127,922	(530,234)
Add: Deferred tax provision not captured for current year loss	(90,127)	644,754
	<u>37,795</u>	<u>114,520</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	235,418,191
Accelerated capital allowances	11,846,409	13,162,676
Exchange fluctuation	-	(21,460)
	<u>247,264,600</u>	<u>248,559,407</u>
Derecognised deferred tax asset*	<u>(247,264,600)</u>	<u>(248,559,407)</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 2024 amounted to Kshs 784,727,302/= (2023 : Kshs 784,727,302/=)

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
10 OTHER INCOME			
Unrealised exchange gain	1(k)	-	40,678
Impairment gain on receivables		2,762,392	71,532
		<u>2,762,392</u>	<u>112,210</u>
11 ADMINISTRATIVE EXPENSES			
Rent and rates		124,799	123,848
Subscription		-	78,288
Printing and stationery		2,500	2,500
Insurance		569,170	408,321
Security		696,501	684,809
Professional fees		840,000	758,100
Audit fees		190,000	155,000
Sundry expense		-	13,500
Donation, fines and penalties		214	10,205
Secretarial fees		22,500	22,500
		<u>2,445,684</u>	<u>2,257,071</u>
12 OPERATING PROFIT/ (LOSS)			
The operating profit/ (loss) is arrived at after charging:			
Auditors' remuneration		<u>190,000</u>	<u>155,000</u>
13 FINANCE COSTS			
Bank charges		4,563	2,779
Unrealised exchange loss	1(k)	11,721	-
Realised exchange loss	1(k)	-	1,540
		<u>16,284</u>	<u>4,319</u>

ASTRAL PIPES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 <u>KSHS</u>	2023 <u>KSHS</u>
14 CASH GENERATED FROM/ (USED IN) OPERATIONS			
Reconciliation of profit/ (loss) before tax to cash generated from/(used in) operations:			
Profit/ (loss) before tax		426,407	(1,767,447)
Changes in:			
- Trade and other receivables		2,251,313	2,106,420
- Trade and other payables		(3,098,615)	339,663
		<u>(420,895)</u>	<u>678,636</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 year 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>125,983</u>	<u>381,733</u>

Related party balances

Amounts due from related parties	4	<u>-</u>	<u>2,275,550</u>
Amounts due to related parties	7	<u>174,000</u>	<u>231,600</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 2024, the company has accumulated losses of Ksh. 931,136,927/= (2023: 931,525,539/=).

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 2024

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.