

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
ICA Pidilite Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **ICA Pidilite Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other comprehensive Income) the Cash Flow Statement and the statement of changes in the Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other 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 audit opinion on the Standalone Ind AS financial statements.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of 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 Standalone Ind AS financial statements and our auditor's report thereon.



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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. 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 accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, 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.

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

Auditor's Responsibility for the Audit of Standalone Ind AS Financial statements

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

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

Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to



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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS 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. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control 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:

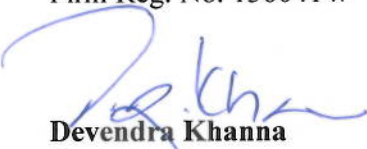
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration under the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under section 197 of the Act is not applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 35 to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, 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 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 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. (a) The Dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 for maintaining books of Account using accounting Software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from of April 2023 and accordingly rule 11(g) of Companies (Audit and Auditors) Rule 2014 is not applicable for financial year ended 31st March,2023.

For KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS
Firm Reg. No. 136041W


Devendra Khanna
Partner
Membership No. 38987



Mumbai, 2nd May 2023

UDIN # 23038987BGXBBH4218

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-use Assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a phased program of physical verification of Property, Plant and Equipment and Right-of-use Assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment including Right-of-use Assets and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such Banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us, during the year, the Company has neither made any investments in, companies, firms, Limited Liability Partnerships, and nor granted unsecured loans to other parties. Further, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.



- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of section 185 and 186 of the Companies Act 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to Companies(Cost records and Audit) Rules,2014 as amended, prescribed by the Central Government under sub-section(1) Of Section 148 of the Companies Act,2013, and are of opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom duty, Excise duty, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.
- (b) According to information and explanations given to us and the records of the Company examined by us, in our opinion, there were no dues which have not been deposited in respect of statutory dues referred to in sub-clause (a) above on account of any dispute except as mentioned below-

| Name of Statute | Nature of Dues | Amount in Lakhs | Period to which the amount relates | Forum where dispute is pending |
|-----------------------|--------------------------|-----------------|------------------------------------|--------------------------------|
| The Customs Act, 1962 | Customs Duty and Penalty | 2,444.65 | 2016-17 to 2018-19 | Cestat |

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c). The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.



- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to information and explanation given to us, the Company has not raised any moneys by way of initial Public Offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) According to information and explanations given to us there were no whistle blower complaints received by the Company during the year.
- (xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors

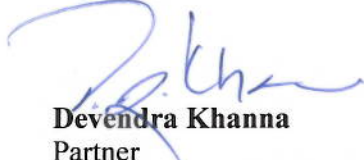


- or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash loss during the current financial 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 realisation 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) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.



(b) There is no unspent amount in respect of ongoing projects of CSR under sub-section (5) of Section 135 of the Companies Act 2013 requiring a transfer to a special account in compliance with second proviso to sub-section (6) of Section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

For KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS
Firm Reg. No. 136041W



Devendra Khanna
Partner
Membership No. 38987



Mumbai, 2nd May 2023

UDIN # 23038987BGXBBH4218

Annexure “B” to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of **ICA Pidilite Private Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 we have obtained 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.

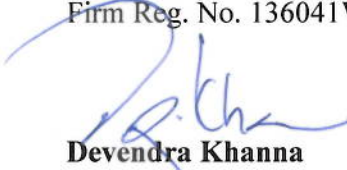
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 information and explanations given to us, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS
Firm Reg. No. 136041W


Devendra Khanna
Partner
Membership No. 38987



Mumbai, 2nd May 2023

UDIN # 23038987BGXBBH4218

ICA PIDILITE PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2023

(Amount in Rs. lacs)

| Particulars | Note No. | For the year ended | For the year ended |
|---|----------|--------------------|--------------------|
| | | 31.03.2023 | 31.03.2022 |
| | | Audited | Audited |
| INCOME | | | |
| Revenue from Operations | 24 | 35,215.89 | 27,212.06 |
| Other Income | 25 | 313.56 | 123.42 |
| Total Income | | 35,529.45 | 27,335.49 |
| EXPENSES | | | |
| Cost of Materials Consumed | 26 | 17,338.01 | 14,970.30 |
| Purchases of Stock-in-Trade (Traded goods) | 27 | 1,915.34 | 2,972.01 |
| Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Transit | 28 | 359.303 | (1,411.23) |
| Employee Benefits Expense | 29 | 3,679.61 | 2,996.73 |
| Finance Costs | 30 | 64.49 | 32.76 |
| Depreciation and Amortization Expense | 31 | 2,319.12 | 2,270.23 |
| Other Expenses | 32 | 5,374.76 | 3,584.80 |
| Total Expenses | | 31,050.63 | 25,415.62 |
| Profit / (Loss) before Exceptional Items and Tax | | 4,478.83 | 1,919.87 |
| (Add) / Less : Exceptional Items (net) | 33 | 111.56 | - |
| Profit / (Loss) before Tax | | 4,367.27 | 1,919.87 |
| Tax Expense | | | |
| Current Tax | | 200.57 | - |
| Deferred Tax | | 900.17 | 474.91 |
| Net Tax expense | | 1,100.74 | 474.91 |
| Profit/ (Loss) for the year | | 3,266.53 | 1,444.96 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Actuarial Gains/(Losses) | 34 | (28.21) | (34.76) |
| Income tax relating to items that will not be reclassified to profit or loss | 34 | 7.10 | 8.75 |
| Total Other Comprehensive Income | | (21.11) | (26.01) |
| Total Comprehensive Income | | 3,245.41 | 1,418.95 |
| Earnings per share | | | |
| Basic (Rs.) | 37 | 49.03 | 21.69 |
| Diluted (Rs.) | 37 | 49.03 | 21.69 |
| Face Value of Share (Rs) | | 10.00 | 10.00 |
| Significant Accounting Policies | 1 to 2 | | |

See accompanying notes forming part of the financial statements

3 to 60

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants
Firm Reg.No:136041W



Devendra Khanna
Partner
Membership No. 38987

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Bharat Puri
x BP

BHARAT PURI
Director

Prabhakar Jain
PRABHAKAR JAIN
Director

ICA PIDILITE PRIVATE LIMITED
Balance Sheet as at 31st March 2023

(Amount in Rs. lacs)

| Particulars | Note No. | As at | As at |
|--|----------|-----------------------|-----------------------|
| | | 31.03.2023 Audited | 31.03.2022 Audited |
| ASSETS | | | |
| Non Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 8,284.44 | 8,417.76 |
| (b) Right of Use of Assets | 3a | 835.80 | 494.95 |
| (c) Capital Work-In-Progress | 4 | 82.64 | 26.62 |
| (d) Goodwill | 5 | 207.87 | 207.87 |
| (e) Other Intangible Assets | 6 | 5,342.49 | 6,885.67 |
| (f) Financial Assets | | | |
| (i) Others | 7 | 169.29 | 139.20 |
| (g) Income Tax Assets (net) | 8 | 38.50 | 23.53 |
| (h) Deferred Tax Assets (net) | 8 | - | - |
| (i) Other Non current Non financial Assets | 9 | 23.89 | 3.61 |
| Total Non Current Assets | | 14,984.90 | 16,199.19 |
| Current Assets | | | |
| (a) Inventories | 10 | 5,109.15 | 4,966.69 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 7,372.48 | 320.94 |
| (ii) Trade Receivables | 12 | 8,074.84 | 6,537.98 |
| (iii) Cash and cash equivalents | 13 | 677.35 | 2,600.50 |
| (iv) Loans | 14 | 79.56 | 40.45 |
| (c) Other Current Assets | 15 | 855.67 | 580.36 |
| Total Current Assets | | 22,169.04 | 15,046.93 |
| TOTAL ASSETS | | 37,153.94 | 31,246.12 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 16 | 666.19 | 666.19 |
| (b) Other Equity | 17 | 25,776.81 | 22,997.73 |
| Total Equity | | 26,443.00 | 23,663.92 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | | 627.97 | 335.45 |
| (b) Deferred Tax Liabilities (net) | 18 | 1,087.35 | 194.28 |
| (c) Provisions | 19 | 283.05 | 242.90 |
| Total Non Current Liabilities | | 1,998.37 | 772.62 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | | | |
| Total outstanding dues of micro and small enterprises | 20 | 1,557.56 | 965.44 |
| Total outstanding dues of others | 20 | 1,825.50 | 2,206.09 |
| (ii) Lease Liabilities | | 253.34 | 182.27 |
| (iii) Others | 21 | 4,688.75 | 3,303.38 |
| (b) Other Current Liabilities | 22 | 317.09 | 129.78 |
| (c) Provisions | 23 | 70.34 | 22.62 |
| Total Current Liabilities | | 8,712.57 | 6,809.57 |
| TOTAL EQUITY AND LIABILITIES | | 37,153.94 | 31,246.12 |
| Corporate Information & Significant Accounting Policies. | 1 to 2 | | |
| See accompanying notes forming part of the financial statements. | 3 to 60 | | |

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants
Firm Reg.No:136041W

Devendra Khanna
Partner
Membership No. 38987



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Director

PRABHAKAR JAIN
Director

ICA PIDILITE PRIVATE LIMITED
Statement of Cash Flows for the year ended 31st March 2023

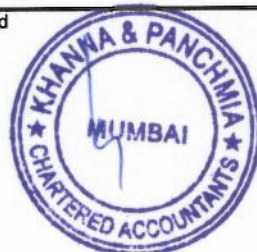
| | (Amount In Rs. lacs) | |
|--|---------------------------------------|---------------------------------------|
| | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
| A] Cash Flows from Operating Activities | | |
| Profit before tax | 4,367.27 | 1,919.87 |
| Adjustments for: | | |
| Finance costs | 64.49 | 32.76 |
| Interest income | (25.31) | (58.45) |
| Net gain arising on financial assets designated at FVTPL | (167.22) | (10.71) |
| Allowance for Doubtful Debts and Advances (net) | 28.95 | (6.51) |
| Depreciation and Amortisation Expense | 2,319.12 | 2,270.23 |
| Provision for Employee Benefits | 59.65 | 69.52 |
| Operating profits before Working Capital changes | 6,646.95 | 4,216.71 |
| Movements in Working Capital: | | |
| (Increase)/Decrease In Operating Assets | | |
| Trade Receivables | (1,565.81) | (1,404.91) |
| Inventories | (142.46) | (1,538.80) |
| Current Loans | (39.11) | 1.59 |
| Other Non-Current Financial Assets | (30.09) | (4.82) |
| Other Current Non Financial Assets | (275.31) | (164.14) |
| Increase/(Decrease) in Operating Liabilities | | |
| Trade Payables | 211.53 | 132.63 |
| Other Current Financial Liabilities | 1,368.02 | 1,390.55 |
| Other Current Non Financial Liabilities | 187.31 | 50.97 |
| Cash generated from Operations | 6,361.03 | 2,679.77 |
| Taxes paid (net of refunds) | (215.54) | (15.27) |
| Net Cash generated from Operating Activities [A] | 6,145.50 | 2,664.50 |
| B] Cash Flows from Investing Activities | | |
| Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress | (493.39) | (184.73) |
| Sales/(Purchase) in Investments | (6,884.32) | (0.00) |
| Interest received | 25.31 | 58.45 |
| Net cash used in Investing Activities [B] | (7,352.40) | (126.28) |
| C] Cash Flows from Financing Activities | | |
| Proceeds from issue of Equity shares of the Company | - | (2,537.42) |
| Payment for Buy-back of Equity Shares | (238.92) | (217.68) |
| Payment of Lease Liabilities | (466.33) | - |
| Dividends paid on Equity Shares | (11.00) | (3.15) |
| Interest paid | (716.25) | (2,758.25) |
| Net cash (used in)/ generated from Financing Activities [C] | (1,923.16) | (220.03) |
| Net Increase / (decrease) in Cash and Cash Equivalents [A+B+C] | (1,923.16) | (220.03) |
| Cash and Cash Equivalents at the beginning of the year | 2,600.50 | 2,820.53 |
| Cash and Cash Equivalents at the end of the year | 677.35 | 2,600.50 |
| Net Increase / (decrease) in Cash and Cash Equivalents | (1,923.16) | (220.03) |

Notes:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

In terms of our report attached
For Khanna & Panchmia
Chartered Accountants
Firm Reg.No:136041W

Devendra Khanna
Partner
Membership No. 38987



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Director

PRABHAKAR JAIN
Director

Charmi Kanojia
Company Secretary

Place: Mumbai
Date : 2nd May 2023

A.R.S

CA PIDILITE PRIVATE LIMITED

Statement of changes in Equity for the year ended 31st March, 2023

| | (Amount in Rs. lacs) |
|---|----------------------|
| Equity Share Capital | |
| Balance at March 31, 2021 | 730.56 |
| Changes in equity share capital during the year | - |
| Issue of equity shares during the year | 64.37 |
| Buyback of equity shares during the year | 666.19 |
| Balance at March 31, 2022 | |
| Changes in equity share capital during the year | - |
| Issue of equity shares during the year | - |
| Buyback of equity shares during the year | 666.19 |
| Balance at March 31, 2023 | |

| | Reserves and Surplus | | | Total |
|---|----------------------------|-----------------------------|-------------------|------------|
| | Securities Premium Account | Capital redemption reserves | Retained Earnings | |
| Other Equity | | | | |
| Balance at March 31, 2021 | 24,865.92 | - | (814.09) | 24,051.83 |
| Profit/(Loss) for the year | - | - | 1,444.96 | 1,444.96 |
| Premium on Share Buyback | (2,413.80) | - | - | (2,413.80) |
| Transfer to Capital Redemption reserves | (64.37) | - | - | (64.37) |
| Amount transfer to Capital redemption reserves on buyback of shares | - | 64.37 | - | 64.37 |
| Tax on Issue of equity shares during the year | - | - | (59.25) | (59.25) |
| Other comprehensive income for the year, net of income tax | - | - | (26.01) | (26.01) |
| Balance at March 31, 2022 | 22,387.75 | 64.37 | 545.61 | 22,997.73 |
| Profit/(Loss) for the year | - | - | 3,266.53 | 3,266.53 |
| Premium on Share Buyback | - | - | - | - |
| Transfer to Capital Redemption reserves | - | - | - | - |
| Amount transfer to Capital redemption reserves on buyback of shares | - | - | - | - |
| Tax on Issue of equity shares during the year | - | - | - | - |
| Other comprehensive income for the year, net of income tax | - | - | (21.11) | (21.11) |
| Payment of Dividends | - | - | (466.33) | (466.33) |
| Balance at March 31, 2023 | 22,387.75 | 64.37 | 3,324.69 | 25,776.81 |

(Amount in Rs. lacs)

ICA PIDILITE PRIVATE LIMITED

Notes forming part of financial statements

1.0 Corporate Information

ICA Pidilite Private Limited (Referred to as "The company" is engaged in the business of Woodcoatings & Woodfinishes. The Company is a Private Limited company incorporated and domiciled in India and having its registered office situated at 403 /404, 4th floor, Satellite Silver Building, Near Marol Metro Station, Andheri Kurla Road, Andheri (East), Mumbai – 400059. The company is a Joint venture between Pidilite Industries Ltd (PIL Group) and Industria Chimica Adritica Spa (ICA), Italy, wherein PIL group is holding 50% of its share holding and 45% of share holding is held by ICA, Italy. In May 2018, the company has acquired the Woodfin Business from Pidilite Industries Ltd.

2.0 Significant Accounting Policies

2.1 Basis of preparation and presentation

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared under the historical cost convention except for the following items which are measured as –
a. Certain Financial Assets / Liabilities – at Fair value.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Rupee.

2.2 Revenue recognition

Revenue is recognised when the company performance obligation is satisfied. The primary performance obligation is satisfied upon shipment or dispatch of products to the customers, which is also when the control of products is transferred. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the Fair Value of the consideration received or receivable, net of returns, rebates and discounts.

Sale of goods

Revenue from sale of goods is recognised when all significant risk and rewards of ownership of the goods are transferred to the buyer, which generally coincides with dispatch of goods. It excludes GST. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

2.3 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.4.2 Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 Current and deferred tax for the year

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

2.5 Property, plant and equipment

2.5.1 Property, plant and equipment acquired separately

Freehold land is stated at cost and not depreciated. Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of such self-constructed item includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their 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 recognised in profit or loss in the year of occurrence.

2.5.2 Depreciation

Depreciation is provided so as to write off the cost of assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Based on the technical evaluation, the Company estimates useful lives of items of property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Estimated useful lives of the property, plant and equipment are as follows:

| Type of Assets | Useful Life |
|----------------------|-------------|
| Buildings | 30 years |
| Plant & Machinery | 1-20 Years |
| Vehicles | 8-10 Years |
| Furniture & Fixtures | 5-10 Years |
| Office Equipments | 3-6 Years |

2.6 Intangible Assets

2.6.1 Intangible assets acquired in a business combination

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

2.6.2 Useful lives of intangible assets

Estimated useful lives of the Intangible assets are as follows:

| Type of Assets | Useful Life |
|---|-------------|
| Trade Mark | 10 Years |
| Computer Software | 3-6 Years |
| Technology Transfer | 10 Years |
| Business Right in the Form of Technical Knowledge for Product Usage | 10 Years |
| Non Compete Fees | 10 Years |
| Commercial knowhow | 10 Years |
| Commercial Right in the Form of Marketing Exclusivity | 10 Years |

2.6.3 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. 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 assets in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.7 Impairment of tangible and intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

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 profit or loss.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on weighted average basis. Cost for this purpose includes cost of direct materials, direct labour, excise duty and appropriate share of overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.9 Provisions

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.

Provisions (excluding retirement benefits & Earn out Compensation) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the 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 profit or loss.

2.10.1 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

2.10.2 Impairment of financial assets

The Company applies expected credit loss model for recognizing impairment loss on financial assets like trade receivables, financial assets measured at amortised cost, lease receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.10.3 Financial Liabilities

All financial liabilities are measured at amortised cost using effective interest method at the end of subsequent reporting periods. Interest expense is included in the Finance costs line item.

2.10.4 Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired.

2.10.5 Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.11 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short-term investments net of bank overdrafts with an original maturity of three months or less.

2.12 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Employee Medical Insurance and Anniversary Awards.

2.12.1 Defined contribution plans

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

2.12.2 Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses and 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. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.12.3 Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured 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 reporting date.

2.13 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognised prospectively in the period of change, if the change affects that period only or in the period of the change and future periods if the change affects both current and future periods.

2.14 Critical accounting judgements and key sources of estimation uncertainty

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

ICA PDIILITE PRIVATE LIMITED
Notes forming part of financial statements

3. Property, plant and equipment
(Amount in Rs. lacs)

| Carrying amounts of: | 31st March 2023 | 31st March 2022 |
|----------------------|-----------------|-----------------|
| Freehold land | 1,049.51 | 1,049.51 |
| Building & Civil | 3,626.55 | 3,718.19 |
| Plant & Machinery | 3,371.08 | 3,431.55 |
| Vehicles | 13.06 | 16.36 |
| Furniture & Fixtures | 98.99 | 117.06 |
| Office Equipments | 125.24 | 85.10 |
| Total | 8,284.44 | 8,417.76 |

| Cost (Gross Block) | Free holdLand | Building | Plant & Machinery | Vehicles | Furniture & Fixtures | Office Equipment | Total |
|---------------------------|---------------|----------|-------------------|----------|----------------------|------------------|-----------|
| Balance at March 31, 2021 | 1,049.51 | 4,192.92 | 4,422.71 | 30.62 | 217.27 | 185.95 | 10,098.97 |
| Acquisitions | - | 1.94 | 135.20 | - | 1.07 | 20.94 | 159.15 |
| Disposal / Adjustment | - | - | (3.83) | - | (0.25) | - | (4.08) |
| Balance at March 31, 2022 | 1,049.51 | 4,194.86 | 4,554.07 | 30.62 | 218.09 | 206.89 | 10,254.04 |
| Acquisitions | - | 42.54 | 322.07 | - | 5.06 | 84.01 | 453.69 |
| Disposal / Adjustment | - | - | (47.30) | (6.55) | (23.52) | (12.54) | (89.91) |
| Balance at March 31, 2023 | 1,049.51 | 4,237.40 | 4,828.84 | 24.07 | 199.64 | 278.36 | 10,617.82 |

| Accumulated depreciation | Free holdLand | Building | Plant & Machinery | Vehicles | Furniture & Fixtures | Office Equipment | Total |
|---------------------------|---------------|----------|-------------------|----------|----------------------|------------------|----------|
| Balance at March 31, 2021 | - | 343.70 | 784.79 | 11.41 | 80.62 | 92.02 | 1,312.54 |
| Depreciation expense | - | 132.97 | 337.80 | 2.86 | 20.42 | 29.77 | 523.81 |
| Disposal / Adjustment | - | - | (0.07) | - | - | - | (0.07) |
| Balance at March 31, 2022 | - | 476.67 | 1,122.53 | 14.26 | 101.04 | 121.79 | 1,836.28 |
| Depreciation expense | - | 134.19 | 362.36 | 2.86 | 19.48 | 38.63 | 557.51 |
| Disposal / Adjustment | - | - | (27.13) | (6.11) | (19.87) | (7.30) | (60.42) |
| Balance at March 31, 2023 | - | 610.86 | 1,457.76 | 11.00 | 100.64 | 153.12 | 2,333.37 |

| Carrying amount (Net Block) | Free holdLand | Building | Plant & Machinery | Vehicles | Furniture & Fixtures | Office Equipment | Total |
|-----------------------------|---------------|----------|-------------------|----------|----------------------|------------------|----------|
| Balance at March 31, 2021 | 1,049.51 | 3,849.21 | 3,637.92 | 19.21 | 136.65 | 93.93 | 8,786.43 |
| Additions | - | 1.94 | 135.20 | - | 1.07 | 20.94 | 159.15 |
| Adjustment/Disposal | - | - | (3.83) | - | (0.25) | - | (4.08) |
| Depreciation expense | - | 132.97 | 337.73 | 2.86 | 20.42 | 29.77 | 523.74 |
| Balance at March 31, 2022 | 1,049.51 | 3,718.19 | 3,431.55 | 16.36 | 117.06 | 85.10 | 8,417.76 |
| Additions | - | 42.54 | 322.07 | - | 5.06 | 84.01 | 453.69 |
| Adjustment/Disposal | - | - | 20.17 | 0.44 | 3.65 | 5.24 | 29.49 |
| Depreciation expense | - | 134.19 | 362.36 | 2.86 | 19.48 | 38.63 | 557.51 |
| Balance at March 31, 2023 | 1,049.51 | 3,626.55 | 3,371.08 | 13.06 | 98.99 | 125.24 | 8,284.44 |

3a. Right of use assets

(Amount in Rs. lacs)

| Carrying amounts of | As at 31st March 2023 | As at 31st March 2022 |
|---------------------|-----------------------|-----------------------|
| Other Building | 834.65 | 491.05 |
| Plant & equipment | 1.15 | 3.89 |
| TOTAL | 835.80 | 494.95 |

| Cost (Gross block) | Other Building | Plant & equipment | Total |
|----------------------------------|-----------------|-------------------|-----------------|
| Balance at March 31, 2021 | 515.72 | 12.14 | 527.85 |
| Other Additions | 483.18 | - | 483.18 |
| Other Deletions | - | - | - |
| Balance at March 31, 2022 | 998.90 | 12.14 | 1,011.03 |
| Other Additions | 549.03 | - | 549.03 |
| Other Deletions | - | - | - |
| Balance at March 31, 2023 | 1,547.92 | 12.14 | 1,560.06 |

| Accumulated amortisation and impairment | Other Building | Plant & equipment | Total |
|---|----------------|-------------------|---------------|
| Balance at March 31, 2021 | 321.13 | 5.50 | 326.63 |
| Other Additions | 186.71 | 2.74 | 189.46 |
| Other Deletions | - | - | - |
| Balance at March 31, 2022 | 507.85 | 8.24 | 516.09 |
| Other Additions | 205.43 | 2.74 | 208.17 |
| Other Deletions | - | - | - |
| Balance at March 31, 2023 | 713.28 | 10.98 | 724.26 |

| Carrying amount (Net Block) | Other Building | Plant & equipment | Total |
|----------------------------------|----------------|-------------------|---------------|
| Balance at March 31, 2021 | 194.58 | 6.64 | 201.22 |
| Other Additions | 483.18 | - | 483.18 |
| Other Deletions | - | - | - |
| Amortisation expense | 186.71 | 2.74 | 189.46 |
| Balance at March 31, 2022 | 491.05 | 3.89 | 494.95 |
| Other Additions | 549.03 | - | 549.03 |
| Other Deletions | - | - | - |
| Amortisation expense | 205.43 | 2.74 | 208.17 |
| Balance at March 31, 2023 | 834.65 | 1.15 | 835.80 |

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements

4. Capital Work In Progress

(Amount in Rs. lacs)

As at 31st March'2023

| CWIP (Including Group Company) | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 82.64 | - | - | - | 82.64 |
| Projects temporarily suspended | - | - | - | - | - |

As at 31st March'2022

(Amount in Rs. lacs)

| CWIP (Including Group Company) | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 26.62 | - | - | - | 26.62 |
| Projects temporarily suspended | - | - | - | - | - |

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements

| | | (Amount in Rs. lacs) | |
|-------------------------------|-----------------|----------------------|-----------------|
| | 31st March 2023 | 31st March 2022 | 31st March 2022 |
| 5. Goodwill | | | |
| Goodwill | 207.87 | 207.87 | 207.87 |
| Cost | - | - | - |
| Accumulated impairment losses | 207.87 | 207.87 | 207.87 |
| Total | 207.87 | 207.87 | 207.87 |

| | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|
| Cost | | |
| Balance at beginning of year | 207.87 | 207.87 |
| Additional amounts recognised during the year | - | - |
| Balance at end of year | 207.87 | 207.87 |

| | | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|-----------------|
| 6. Other Intangible assets | | | |
| Carrying amounts of | | | |
| Trade Mark | 1,505.07 | 1,849.49 | 1,849.49 |
| Computer Software | 61.95 | 106.35 | 106.35 |
| Technical Knowhow | 1,639.34 | 2,085.61 | 2,085.61 |
| Non Compete Fees | 15.41 | 20.41 | 20.41 |
| Commercial knowhow | 1,336.87 | 1,785.65 | 1,785.65 |
| Commercial Right in the Form of Marketing Exclusivity | 783.84 | 1,038.15 | 1,038.15 |
| Balance at end of year | 5,342.49 | 6,885.67 | 6,885.67 |

| Cost (Gross block) | Trade Mark | Computer Software | Technical Knowhow | Non Compete Fees | Commercial knowhow-Distribution Network | Commercial Right in the Form of Marketing Exclusivity | Total |
|----------------------------------|-----------------|-------------------|-------------------|------------------|---|---|------------------|
| Balance at March 31, 2021 | 3,444.21 | 325.27 | 4,462.65 | 50.00 | 4,487.48 | 2,543.12 | 15,312.73 |
| Other Additions | - | 1.27 | - | - | - | - | 1.27 |
| Balance at March 31, 2022 | 3,444.21 | 326.54 | 4,462.65 | 50.00 | 4,487.48 | 2,543.12 | 15,313.99 |
| Other Additions | - | 10.30 | - | - | - | 10.30 | - |
| Other Deletions | - | (2.83) | - | - | - | - | (2.83) |
| Balance at March 31, 2023 | 3,444.21 | 336.84 | 4,462.65 | 50.00 | 4,487.48 | 2,543.12 | 15,324.29 |

| Accumulated amortisation and impairment | Trade Mark | Computer Software | Technical Knowhow | Non Compete Fees | Commercial knowhow-Distribution Network | Commercial Right in the Form of Marketing Exclusivity | Total |
|---|-----------------|-------------------|-------------------|------------------|---|---|-----------------|
| Balance at March 31, 2021 | 1,250.30 | 162.00 | 1,930.78 | 24.59 | 2,253.04 | 1,250.66 | 6,871.36 |
| Amortisation expense | 344.42 | 58.18 | 446.26 | 5.00 | 448.79 | 254.31 | 1,556.97 |
| Balance at March 31, 2022 | 1,594.72 | 220.18 | 2,377.04 | 29.59 | 2,701.83 | 1,504.97 | 8,428.33 |
| Amortisation expense | 344.42 | 54.65 | 446.26 | 5.00 | 448.79 | 254.31 | 1,553.43 |
| Disposal / Adjustment | - | (2.78) | - | - | - | - | (2.78) |
| Balance at March 31, 2023 | 1,939.14 | 274.83 | 2,823.31 | 34.59 | 3,150.61 | 1,759.28 | 9,981.76 |

| Carrying amount (Net Block) | Trade Mark | Computer Software | Technical Knowhow | Non Compete Fees | Commercial knowhow-Distribution Network | Commercial Right in the Form of Marketing Exclusivity | Total |
|----------------------------------|-------------|-------------------|-------------------|------------------|---|---|-----------------|
| Balance at March 31, 2021 | 2,193.92 | 163.27 | 2,531.87 | 25.41 | 2,234.44 | 1,292.46 | 8,441.37 |
| Other Additions | 344.42 | 1.27 | 446.26 | 5.00 | 448.79 | 254.31 | 1,27 |
| Amortisation expense | 1,849.49 | 106.35 | 2,085.61 | 20.41 | 1,785.65 | 1,038.15 | 6,885.67 |
| Balance at March 31, 2022 | 7.47 | - | - | - | - | - | 7.47 |
| Other Additions | - | (2.78) | - | - | - | - | (2.78) |
| Disposal / Adjustment | 344.42 | 54.65 | 446.26 | 5.00 | 448.79 | 254.31 | 1,553.43 |
| Amortisation expense | 1,505.07 | 61.95 | 1,639.34 | 15.41 | 1,336.87 | 783.84 | 5,342.49 |
| Balance at March 31, 2023 | 7.47 | 51.87 | 1,639.34 | 15.41 | 1,336.87 | 783.84 | 5,342.49 |

ICA Pidlite Pvt.Ltd
Notes forming part of financial statements

| 7 Other Financial Assets-Non Current | | (Amount in Rs. lacs) | |
|---|---------------------|----------------------|--|
| | As at 31.03.2023 | As at 31.3.2022 | |
| Unsecured, considered good | | | |
| Security deposits | 169.29 | 139.20 | |
| TOTAL | 169.29 | 139.20 | |
| 8 Income Tax Assets (net) Non Current | | | |
| | As at 31.03.2023 | As at 31.3.2022 | |
| Advance Income Tax (Net of Provisions)-Non Current | 38.50 | 23.53 | |
| TOTAL | 38.50 | 23.53 | |
| 9 Other Non current Non financial Assets | | | |
| | As at 31.03.2023 | As at 31.3.2022 | |
| Advance to Capital Vendors | 23.89 | 3.61 | |
| TOTAL | 23.89 | 3.61 | |
| 10 Inventories (At lower of cost and net realizable value) | | | |
| | As at 31.03.2023 | As at 31.3.2022 | |
| Raw Material & Packing Material * | 1,974.65 | 1,472.89 | |
| Stock in Trade | 944.03 | 1,605.36 | |
| Finished Goods | 2,190.47 | 1,888.44 | |
| TOTAL | 5,109.15 | 4,966.69 | |
| * Includes Goods in transit. | | | |
| 11 Financial Assets - Investments - Current | | | |
| | As at 31.03.2023 | As at 31.3.2022 | |
| Current Investments (at fair value) | | | |
| Units of ICICI Prudential Overnight Fund Direct Plan Growth | 510.11 | 320.94 | |
| Units of-Aditya Birla-ABSL Crisil IBX AAA Jun23 Index Fund Dir Growth | 352.04 | - | |
| Units of-HSBC-HSBC Ultra Short term Duration fund-Dir Growth | 800.98 | - | |
| Units of-ICICI Prudential -Liquid Fund- DP Growth | 888.92 | - | |
| Units of-Kotak-Kotak Equity Arbitrage Fund - Direct Plan - Growth | 1,325.31 | - | |
| Units of-Nippon India-ULTRA SHORT DURATION FUND - DIRECT GR.PLAN | 1,236.41 | - | |
| Units of-SBI-Arbitrage Opp.Fund-Direct plan-Growth | 360.46 | - | |
| Units of-SBI-Overnight Fund D growth | 205.58 | - | |
| Units of-SBI-SBI Magnum Ultra Short D F D Growth | 604.90 | - | |
| Units of-Tata-Liquid Fund Direct plan-Growth | 358.70 | - | |
| Units of-Tata-Ultra Short Term -Direct plan-Growth | 729.07 | - | |
| TOTAL | 7,372.48 | 320.94 | |

ICA Pidlite Pvt.Ltd

| 12 Trade Receivables | (Amount in Rs. lacs) | |
|---|------------------------|------------------------|
| | As at | As at |
| | 31.03.2023 | 31.3.2022 |
| Unsecured, considered good | 8,074.84 | 6,537.98 |
| Considered Doubtful | 245.46 | 274.40 |
| | <u>8,320.30</u> | <u>6,812.38</u> |
| Less: Allowances for Expected Credit Loss | 245.46 | 274.40 |
| TOTAL | <u>8,074.84</u> | <u>6,537.98</u> |

The average credit period on sales of goods is 60 days. No interest is charged on trade receivables.

Ageing of Trade Receivables
As at 31st March'2023

| Particulars | 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 | |
| (i) Undisputed Trade receivables – considered good | 8,043.37 | 31.47 | - | - | - | 8,074.84 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | 16.50 | 22.81 | 17.17 | 80.59 | 137.06 |
| (iii) Disputed Trade Receivables considered doubtful | - | - | - | 11.71 | 96.68 | 108.39 |
| Total | <u>8,043.37</u> | <u>47.97</u> | <u>22.81</u> | <u>28.88</u> | <u>177.27</u> | <u>8,320.30</u> |

As at 31st March'2022

| Particulars | 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 | |
| (i) Undisputed Trade receivables – considered good | 6,520.82 | 17.16 | - | - | - | 6,537.98 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | 16.04 | 36.43 | 51.18 | 52.81 | 156.46 |
| (iii) Disputed Trade Receivables considered doubtful | - | - | 21.26 | - | 96.68 | 117.94 |
| Total | <u>6,520.82</u> | <u>33.20</u> | <u>57.69</u> | <u>51.18</u> | <u>149.50</u> | <u>6,812.38</u> |

13 Cash and Cash Equivalents

| | As at | As at |
|------------------------------------|----------------------|------------------------|
| | 31.03.2023 | 31.3.2022 |
| Cash on Hand | 0.14 | 0.25 |
| Balances with banks | | |
| In Fixed Deposits | 425.78 | 2,485.96 |
| In Current Account | 251.43 | 114.30 |
| TOTAL | <u>677.35</u> | <u>2,600.50</u> |
| Cash and cash equivalents as above | <u>677.35</u> | <u>2,600.50</u> |
| Balance as per cash flow statement | <u>677.35</u> | <u>2,600.50</u> |

Cash Credit limit with ICICI Bank Ltd for Rs.25 Crores hypothecated against stock and book debts.

14 Loans

| | As at | As at |
|---|---------------------|---------------------|
| | 31.03.2023 | 31.3.2022 |
| Unsecured | | |
| Loans to Staff | 79.56 | 40.45 |
| Considered Doubtful | 4.17 | 5.01 |
| | <u>83.73</u> | <u>45.46</u> |
| Less: Allowances for Expected Credit Loss | 4.17 | 5.01 |
| TOTAL | <u>79.56</u> | <u>40.45</u> |

15 Other Current Assets (Non Financial)

| | As at | As at |
|--------------------------------------|----------------------|----------------------|
| | 31.03.2023 | 31.3.2022 |
| Unsecured, considered good | | |
| Prepaid Expenses | 45.01 | 26.52 |
| Balances with Government Authorities | 650.26 | 378.69 |
| Advance to Suppliers/others | 160.40 | 175.16 |
| TOTAL | <u>855.67</u> | <u>580.36</u> |

ICA Pidilite Pvt.Ltd
Notes forming part of financial statements

16 Equity Share Capital

| | | (Amount in Rs. lacs) | |
|---|---|----------------------|---------------|
| | | As at | As at |
| | | 31.03.2023 | 31.03.2022 |
| Authorised Capital : | | | |
| 90,00,000 Equity Shares of Rs.10 each | (90,00,000 Equity shares @ Rs.10 Each) | 900.00 | 900.00 |
| TOTAL | | 900.00 | 900.00 |
| Issued, Subscribed and Paid up Capital : | | | |
| 66,61,920 Equity Shares of Rs10 each, fully paid-up | (66,61,920 Equity shares of Rs 10 each,fully paid up) | 666.19 | 666.19 |
| TOTAL | | 666.19 | 666.19 |

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

| | As at | | As at | |
|--|------------------|---------------|------------------|---------------|
| | 31.03.2023 | | 31.03.2022 | |
| | Number of Shares | Rs. | Number of Shares | Rs. |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 66,61,920 | 666.19 | 73,05,600 | 730.56 |
| Buyback during the year | | | (6,43,680) | (64.37) |
| Shares issued during the year | | | - | - |
| Shares outstanding at the end of the year | 66,61,920 | 666.19 | 66,61,920 | 666.19 |

b. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of 10/- per share. Each holder of equity shares is entitled to one vote per shares.

c. Details of shareholders holding more than 5% shares in the Company:

| | As at 31.03.2023 | | As at 31.03.2022 | |
|--------------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Pidilite Industries Ltd | 32,73,121 | 49.13% | 32,73,121 | 49.13% |
| Industria Chimica Adritica Spa | 29,97,864 | 45.00% | 29,97,864 | 45.00% |
| | 66,61,920 | | 66,61,920 | |

d. No equity shares were allotted without payment being received in cash.

e. Details of changes during the year in shareholding of the company.

| Promoter Name | No. of Shares | % of Holding | % change during the year |
|---|---------------|--------------|--------------------------|
| Pidilite Industries Ltd | 32,73,121 | 49.13% | 0.00% |
| Fevicol Industries Ltd | 57,836 | 0.87% | 0.00% |
| Industria Chimica Adritica Spa | 29,97,864 | 45.00% | 0.00% |
| Pratik Mahendra Mehta | 3,33,096 | 5.00% | 0.00% |
| Pidilite Industries Limited jointly with A N Parekh | 1 | 0.00% | - |
| Pidilite Industries Limited jointly with A B Parekh | 1 | 0.00% | - |
| Pidilite Industries Limited jointly with B O Mehta | 1 | 0.00% | - |

17 Other Equity

| | As at | As at |
|--|------------------|------------------|
| | 31.03.2023 | 31.03.2022 |
| Securities Premium Account | | |
| Balance as per last financial statements | 22,387.75 | 24,865.92 |
| Less : Shares buyback during the year | - | 2,413.80 |
| Less : Transfer to Capital Redemption reserves | - | 64.37 |
| Closing Balance | 22,387.75 | 22,387.75 |
| Capital Redemption Reserves | | |
| Balance Capital Redemption reserves | 64.37 | 64.37 |
| Closing Balance | 64.37 | 64.37 |
| Retained Earnings | | |
| Balance as per last financial statements | 545.61 | (814.09) |
| Add: Profit / (Loss) for the year | 3,245.41 | 1,418.95 |
| Less: Tax on buyback of equity shares | - | 59.25 |
| Less: Dividend Paid | (466.33) | - |
| Closing Balance | 3,324.69 | 545.61 |
| TOTAL | 25,776.81 | 22,997.73 |

ICA Pidillite Pvt.Ltd
Notes forming part of financial statements
18 Deferred Tax Liabilities (net)

| | | (Amount in Rs. lacs) | |
|--------------------------------|-------|----------------------|---------------------|
| | | As at 31.03.2023 | As at 31.03.2022 |
| Deferred Tax Liabilities (net) | TOTAL | 1,087.35 | 194.28 |
| | | <u>1,087.35</u> | <u>194.28</u> |

19 Provisions

| | | As at 31.03.2023 | As at 31.03.2022 |
|--|--|---------------------|---------------------|
| Provision for Employee Benefits (Refer Note 39) | | | |
| Gratuity | | 189.41 | 158.03 |
| Compensated absences | | 93.63 | 84.87 |
| TOTAL | | <u>283.05</u> | <u>242.90</u> |

20 Trade Payables

| | | As at 31.03.2023 | As at 31.03.2022 |
|---|--|---------------------|---------------------|
| Total Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 40) | | | |
| | | 1,557.56 | 965.44 |
| Total Outstanding dues to creditors other than Micro Enterprises & Small Enterprises | | | |
| TOTAL | | <u>1,825.50</u> | <u>2,206.09</u> |
| | | <u>3,383.06</u> | <u>3,171.53</u> |

Ageing of trade payables
As at 31st March'2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|-----------|----------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed dues - total outstanding dues of micro enterprises and small enterprises | 1,557.56 | - | - | - | 1,557.56 |
| (ii) Undisputed dues - total outstanding dues of creditors other than micro enterprises small enterprise | 1,795.99 | 29.51 | - | - | 1,825.50 |
| Total | <u>3,353.55</u> | <u>29.51</u> | <u>-</u> | <u>-</u> | <u>3,383.06</u> |

As at 31st March'2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|-----------|----------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed dues - total outstanding dues of micro enterprises and small enterprises | 1,102.41 | - | - | - | 1,102.41 |
| (ii) Undisputed dues - total outstanding dues of creditors other than micro enterprises small enterprise | 2,051.82 | 17.30 | - | - | 2,069.12 |
| Total | <u>3,154.23</u> | <u>17.30</u> | <u>-</u> | <u>-</u> | <u>3,171.53</u> |

21 Other Current Financials Liabilities

| | | As at 31.03.2023 | As at 31.03.2022 |
|--------------------------------------|--|---------------------|---------------------|
| Trade/ Security Deposit received | | 203.02 | 65.49 |
| Liabilities for Expenses | | 4,419.67 | 3,138.37 |
| Employee related liabilities | | 41.23 | 85.08 |
| Payables on purchase of fixed assets | | 24.75 | 7.40 |
| Other Current Liabilities | | 0.07 | 7.04 |
| TOTAL | | <u>4,688.75</u> | <u>3,303.38</u> |

22 Other Current Non Financial Liabilities

| | | As at 31.03.2023 | As at 31.03.2022 |
|------------------------|--|---------------------|---------------------|
| Advance from customers | | 16.70 | 11.26 |
| Statutory Remittances* | | 300.39 | 118.52 |
| TOTAL | | <u>317.09</u> | <u>129.78</u> |

* includes TDS & GST

23 Current Provisions

| | | As at 31.03.2023 | As at 31.03.2022 |
|--|--|---------------------|---------------------|
| Provision for Employee Benefits (Refer Note 39) | | | |
| Gratuity | | 34.36 | 10.51 |
| Compensated absences | | 35.97 | 12.11 |
| TOTAL | | <u>70.34</u> | <u>22.62</u> |

ICA Pidilite Pvt.Ltd
Notes forming part of financial statements.

24 Revenue From Operations

| | | (Amount in Rs. lacs) | |
|--------------------------------|--------------------------------------|-----------------------|-----------------------|
| | | For the year ended | For the year ended |
| | | 31.03.2023 | 31.03.2022 |
| Revenue From Operations | | | |
| Sale of Products | | | |
| | Finished Goods | 31,378.55 | 23,968.90 |
| | Traded Goods | 3,799.95 | 3,208.59 |
| | TOTAL (A) | 35,178.51 | 27,177.49 |
| Other Operating Revenue | | | |
| | Scrap Sales | 37.39 | 34.57 |
| | TOTAL (B) | 37.39 | 34.57 |
| | Revenue from operations (A+B) | 35,215.89 | 27,212.06 |
| | TOTAL | 35,215.89 | 27,212.06 |

25 Other Income

| | | For the year ended | For the year ended |
|------------------------------------|--|-----------------------|-----------------------|
| | | 31.03.2023 | 31.03.2022 |
| Interest on: | | | |
| | Bank Deposit | 25.31 | 58.45 |
| Net Gain on Sale of : | | | |
| | Current Investments | 41.04 | - |
| Other Non-Operating Income: | | | |
| | Sales of Power Generated | 15.16 | 12.74 |
| | Commission Received | 20.74 | 20.10 |
| | Net gain/(loss) arising on financial assets / Liabilities designated as at FVTPL | 167.22 | 10.71 |
| | Miscellaneous Income | 28.73 | 21.41 |
| | Warehousing Storage Income | 15.36 | - |
| | TOTAL | 313.56 | 123.42 |

26 Cost of Materials Consumed

| | | For the year ended | For the year ended |
|--|---|-----------------------|-----------------------|
| | | 31.03.2023 | 31.03.2022 |
| | Inventory at the beginning of the year | 1,472.89 | 1,345.32 |
| | Add : Purchases * | 17,839.77 | 15,097.88 |
| | | 19,312.66 | 16,443.19 |
| | Less : Inventory at the end of the year * | 1,974.65 | 1,472.89 |
| | TOTAL | 17,338.01 | 14,970.30 |

* Includes Goods in transit

Details of Materials Consumed

(Amount in Rs. lacs)

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|--------------|-------------------------------------|-------------------------------------|
| Chemicals | 17,338.01 | 14,970.30 |
| TOTAL | 17,338.01 | 14,970.30 |

27 Details of Purchase of Stock in Trade

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|--------------|-------------------------------------|-------------------------------------|
| Chemicals | 1,915.34 | 2,972.01 |
| TOTAL | 1,915.34 | 2,972.01 |

28 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|---|-------------------------------------|-------------------------------------|
| Inventories at end of the year | | |
| Stock-in-Trade | 944.03 | 1,605.36 |
| Finished Goods | 2,190.47 | 1,888.44 |
| (A) | 3,134.50 | 3,493.80 |
| Inventories at beginning of the year | | |
| Stock-in-Trade | 1,605.36 | 605.72 |
| Finished Goods | 1,888.44 | 1,476.85 |
| (B) | 3,493.80 | 2,082.57 |
| (B)-(A) | 359.30 | (1,411.23) |
| TOTAL | 359.30 | (1,411.23) |

29 Employee Benefits Expense

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|---|-------------------------------------|-------------------------------------|
| Salaries and Wages | 3,432.22 | 2,775.37 |
| Contribution to Provident and Other Funds | 143.83 | 122.54 |
| Gratuity | 45.84 | 32.97 |
| Staff Welfare Expenses | 57.71 | 65.84 |
| TOTAL | 3,679.61 | 2,996.73 |

30 Finance Costs

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on: | | |
| Interest on lease liabilities | 53.49 | 29.61 |
| Others | 11.00 | 3.15 |
| TOTAL | 64.49 | 32.76 |

31 Depreciation and Amortization Expense

(Amount in Rs. lacs)

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|---|-------------------------------------|-------------------------------------|
| Depreciation on Tangible Assets (Refer Note 3) | 557.51 | 523.81 |
| Amortization of Intangible Assets (Refer Note 5) | 1,553.43 | 1,556.97 |
| Depreciation on right of use assets (Refer note 3a) | 208.17 | 189.46 |
| TOTAL | 2,319.12 | 2,270.23 |

32 Other Expenses

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|--|-------------------------------------|-------------------------------------|
| Clearing, Forwarding and Octroi Duty | 769.82 | 665.72 |
| Rent | 125.93 | 51.16 |
| Rates and Taxes | 9.59 | 3.83 |
| Insurance | 78.83 | 54.27 |
| License fees | 0.32 | 0.04 |
| Repairs & Maintenance | | |
| Buildings | 16.13 | 5.83 |
| Machinery | 25.57 | 23.43 |
| Others(Repairs) | 25.76 | 28.09 |
| Directors' Fees | 3.70 | 4.40 |
| Advertisement and Publicity | 2,555.77 | 1,562.61 |
| Legal, Professional and Consultancy fees | 138.60 | 58.56 |
| Donations | 9.76 | 3.08 |
| Communication Expenses | 78.76 | 76.32 |
| Printing and Stationery | 20.56 | 14.57 |
| Travelling and Conveyance Expenses | 559.11 | 304.85 |
| Bad Debts | 26.71 | - |
| Provision for Doubtful Debts | (27.91) | 6.51 |
| Processing and Packing Charges | 429.27 | 374.23 |
| Payments to Auditor | 11.25 | 10.69 |
| Corporate Social Responsibility Expenses (Refer Note 46) | 18.10 | - |
| Net gain/(loss) arising on financial assets/Liabilities designated as at FVTPL | - | 7.04 |
| Net loss on foreign currency transactions and translation | 45.85 | (7.40) |
| Miscellaneous expenses | 211.62 | 150.09 |
| Contract Expenses | 241.65 | 186.88 |
| TOTAL | 5,374.76 | 3,584.80 |

33 Other Exceptional Items

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|------------------------------|-------------------------------------|-------------------------------------|
| Other Exceptional Item (Net) | 111.56 | - |
| | 111.56 | - |

34 Other Comprehensive Income

| | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|--|-------------------------------------|-------------------------------------|
| Actuarial (Gains)/losses | 28.21 | 34.76 |
| Tax effect on Other Comprehensive Income | (7.10) | (8.75) |
| | 21.11 | 26.01 |

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements

35 Contingent Liabilities and Commitments

| | (Amount in Rs. lacs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| A) Contingent liabilities not provided for: | | |
| 1 Guarantees given by Banks in favor of Customs Authorities For clearing goods under provisional assessment. | 636.54 | 627.11 |
| 2 Claims against the Company not acknowledge as Debts comprise: | | |
| a. Custom Duty claim disputed by the Company related to classification. | 833.21 | 833.21 |
| b. Custom Duty claim disputed by the Company related to Valuation | 509.18 | 509.18 |
| c. Additional fine and penalty imposed on company,director and CEO | 1,102.26 | 1,102.26 |
| B) Commitments: | | |
| (a) Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for | 151.27 | 64.98 |
| (b) Other Commitments - Non Cancellable Operating Leases (Refer Note 43) | NIL | NIL |

36 Segment Information

The Company has determined its operating segment as Selling of Woodcoatings & Woodfinishes products, based on the information reported to the chief operating decision maker (CODM i.e. Managing Director of the Company) in accordance with the requirements of Indian Accounting Standard 106 - 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

37 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Basic and Diluted: | | |
| Total Operations for the year / period | | |
| Profit for the year | 3,267 | 1,445 |
| Weighted average number of equity shares for calculating basic and diluted EPS | 66,61,920 | 66,61,920 |
| Par value per share | 10 | 10 |
| Earning per share (Basic and Diluted) | 49.03 | 21.69 |

38 Related Party Transactions

List of Related Parties

- (i) **Holding Company**
Pidilite Industries Ltd
- (ii) **Company having significant influence**
Industria Chimica Adritica Spa (ICA)
- (iii) **Fellow Subsidiary**
Tenax Pidilite India Pvt.Ltd
- (iv) **Key Management Personnel**
- | | |
|------------------------|----------|
| a. Shri Bharat Puri | Director |
| b. Shri Prabhakar Jain | Director |
| c. Andrea Paniccia | Director |

Transactions with Related Parties are as follows :

| | | 2022-2023 | | | | 2021-2022 | | | |
|-----------------------|--|------------------------------|----------------------------|----------|----------------------------------|------------------------------|----------------------------|----------|----------------------------------|
| Nature of Transaction | | Remuneration to Directors | Pidilite Industries Ltd | ICA | Tenax Pidilite India Pvt. Ltd | Remuneration to Directors | Pidilite Industries Ltd | ICA | Tenax Pidilite India Pvt. Ltd |
| a | Sales /Works Contract Income (Excluding Taxes) | NIL | 7,426.56 | 20.74 | 11.27 | NIL | 6,357.51 | 14.87 | NIL |
| b | Purchases and Other Services | NIL | 105.52 | 2,918.96 | NIL | NIL | 117.59 | 2,454.54 | NIL |
| | Purchase of Materials/SAP AMC | NIL | 16.68 | - | NIL | NIL | 5.23 | - | NIL |
| | Services/Reimbursement | NIL | - | NIL | NIL | NIL | - | NIL | NIL |
| | ESOP | NIL | - | - | NIL | 4.40 | - | - | NIL |
| | Sitting Fees | 3.70 | - | - | NIL | - | - | - | NIL |
| c | Outstanding Balances : | | | | | | | | |
| | - Debtors including advances | NIL | 1,187.45 | - | 13.30 | NIL | 990.38 | 0.85 | NIL |
| | - Creditors | NIL | (76.01) | (875.96) | - | NIL | (90.36) | (960.59) | NIL |
| | - Net Receivable/(Payable) | NIL | 1,111.44 | (875.96) | 13.30 | NIL | 900.02 | (959.74) | NIL |
| d | Dividend Paid | NIL | 229.12 | 209.85 | NIL | - | - | - | NIL |

39 Employee Benefits

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation

(Amount in Rs. lacs)

| Particulars | 31st March 2023 | 31st March 2022 |
|--|-----------------|-----------------|
| Change in the present value of defined benefit obligation | | |
| 1 Present value of defined benefit obligation at the beginning of the year | 168.54 | 113.53 |
| | | - |
| 3 Current service cost | 34.07 | 25.40 |
| 4 Interest cost/income | 11.77 | 7.58 |
| 5 Remeasurements (gains)/ losses included in OCI | | |
| Actuarial (gains)/ losses arising from changes in demographic assumption | (10.39) | - |
| Actuarial (gains)/ losses arising from changes in financial assumption | 3.34 | 3.09 |
| Actuarial (gains)/ losses arising from changes in experience adjustment | 35.26 | 31.67 |
| 6 Past Service cost | - | - |
| 7 Benefits paid | (18.82) | (12.72) |
| 8 Present value of defined benefit obligation at the end of the year | 223.78 | 168.54 |

Net Asset/(Liability) recognised in the Balance Sheet as at

| | | |
|--|--------|--------|
| 1 Present value of defined benefit obligation as at 31st March | 223.78 | 168.54 |
| 2 Fair value of plan assets as at 31st March | - | - |
| 3 Surplus/(Deficit) | 223.78 | 168.54 |
| 4 Current portion of the above | 34.36 | 10.51 |
| 5 Non current portion of the above | 189.41 | 158.03 |

Actuarial assumptions

| | | |
|---------------------|--|---|
| 1 Discount rate | 7.38% | 7.21% |
| 2 Attrition rate | Up to Service 5 years – 28.34%, Between Service 5 years to 10 years 18.38%, thereafter 3.12% | Up to Service 5 years – 13.66%, Between Service 5 years to 10 years 7.68%, thereafter 4.56% |
| 3 Salary Escalation | Next 2 years 10%, thereafter 7.5% | Next 2 years 9%, thereafter 7% |

Expense recognised in the Statement of Profit and Loss for the year ended

| | | |
|--|-------|-------|
| 1 Current service cost | 34.07 | 25.40 |
| 2 Interest cost on benefit obligation (Net) | 11.77 | 7.58 |
| 3 Total expenses included in employee benefits expense | 45.84 | 32.97 |

Recognised in other comprehensive income for the year

| | | |
|--|---------|-------|
| 1 Actuarial (gains)/ losses arising from changes in demographic assumption | (10.39) | - |
| 2 Actuarial (gains)/ losses arising from changes in financial assumption | 3.34 | 3.09 |
| 3 Actuarial (gains)/ losses arising from changes in experience adjustment | 35.26 | 31.67 |
| 4 Return on plan asset | - | - |
| 5 Recognised in other comprehensive income | 28.21 | 34.76 |

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Employees State Insurance Scheme aggregating Rs.1438.33/- (Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements.

40 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

(Amount in Rs. lacs)

| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|--|--|--|
| (i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year | 1,557.56 | 965.44 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | 0.01 |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |
| TOTAL | 1,557.56 | 965 |

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

41 Details of Payments to Auditor

| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|-------------------------------|--|--|
| Audit fees | 6.00 | 5.00 |
| Tax Audit | 1.50 | 1.20 |
| Other Services: | | |
| (Transfer Pricing Audit Fees) | 0.50 | 0.30 |
| (Limited Review) | 3.00 | 2.25 |
| Others | 0.25 | 1.94 |
| | 11.25 | 10.69 |

42 Financial Instrument

1 Capital Management

The Company does not have any debt as on 31st March 2023

2 Categories of financial instruments

(Amount in Rs.In Lacs)

| | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|
| Financial assets | | |
| Measured at Fair Value through Profit or Loss | | |
| Forward foreign exchange contracts | - | - |
| Measured at amortised cost | | |
| Cash and bank balances | 677.35 | 2,600.50 |
| Other financial assets | 20,636.03 | 11,866.06 |
| Financial liabilities | | |
| Measured at Fair Value through Profit or Loss | - | - |
| Measured at amortised cost | 8,388.90 | 6,604.69 |

3 Financial risk management objectives

Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial assets are higher than liabilities as on 31st March 2023

Credit risk management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has reputed customers due to which credit risk is very less.

4 Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into forward foreign exchange contracts to manage its exposure to foreign currency risk of imports.

5 Foreign currency sensitivity analysis

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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

| Particulars | FC value in Foreign Currency | | FC value in INR | |
|--|------------------------------|-----------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Amounts payable in foreign currency on account of the following: | | | | |
| EUR | 10,57,992 | 13,06,438 | 9,40,52,145 | 10,91,94,829 |
| USD | 70,200 | 2,13,519 | 57,81,377 | 1,62,82,297 |

The Company is mainly exposed to the EUR.

The following table details the Company's sensitivity to a 2% increase and decrease against the relevant foreign currencies. 2% 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. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

| | EUR/USD Impact | |
|---------------------------------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Impact on profit or loss for the year | 19,96,670 | 25,09,543 |

(i) This is mainly attributable to the exposure to outstanding Euro receivables and payables at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

| Financial assets / financial liabilities | Fair value as at | | Fair value hierarchy | valuation technique(s) and key input(s) |
|--|---|--|----------------------|---|
| | 31/03/2023 | 31/03/2022 | | |
| Investment in Mutual Funds | Various listed funds fair value of Rs. 73.72 Crores | Various listed funds fair value of Rs. 3.20 Crores | Level 1 | Quoted bid prices in active market |

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

| Particulars | 31st March 2023 | | 31st March 2022 | |
|---|-----------------|---------------|------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Financial assets carried at Amortised Cost | | | | |
| Inventories | 5,109 | 5,109 | 4,966.69 | 4,966.69 |
| Trade Receivables | 8,075 | 8,075 | 6,537.98 | 6,537.98 |
| Cash and cash equivalents | 677 | 677 | 2,600.50 | 2,600.50 |
| Loans | 80 | 80 | 40.45 | 40.45 |
| Others Current Assets(Incl. Advance to Suppliers) | - | - | - | - |
| Others (Non current Assets) | 169 | 169 | 139.20 | 139.20 |
| Total | 14,110 | 14,110 | 14,284.82 | 14,284.82 |
| Financial liabilities | | | | |
| Financial liabilities held at amortised cost | | | | |
| Other Financial Liabilities | 4,689 | 4,689 | 3,303.38 | 3,303.38 |
| Other Current Liabilities (Statutory Remittance) | 317 | 317 | 129.78 | 129.78 |
| Provisions | 70 | 70 | 22.62 | 22.62 |
| Total | 5,076 | 5,076 | 3,455.78 | 3,455.78 |

Note 43 : Leases

Impact of adoption of Ind AS 116 on the statement of profit and loss :

(Amount in Rs.in Lacs)

| Particulars | For the year ended March 31, 2023 |
|--|--------------------------------------|
| Interest on lease liabilities (Refer Note 31) | 53.49 |
| Depreciation of Right-of-use assets (Refer Note 36) | 208.17 |
| Income on account of Modification impact | - |
| Deferred tax (credit) | (5.91) |
| Impact on the statement of profit and loss for the period | 255.75 |
| Expenses related to short term lease incurred during the year | 130.29 |

| As at 31st March 2023 | Less than 1 year | 1-5 years | More than 5 Years | Total | Carrying Amount |
|--------------------------------|------------------|-----------|----------------------|----------|-----------------|
| Lease Liability (undiscounted) | 253.61 | 781.49 | - | 1,035.10 | 881.31 |

44 Taxes**1 Deferred Tax****a 2022-23**

Deferred tax assets/(liabilities) in relation to:

(Amount in Rs.in Lacs)

| | Opening Balance | Recognised in Profit and Loss | Closing balance |
|---------------------------------|-----------------|-------------------------------|-------------------|
| Property, Plant and Equipment | (458.59) | (59.28) | (517.87) |
| Intangible Assets | (1,019.42) | 97.05 | (922.37) |
| Others | 130.30 | 91.51 | 221.81 |
| Provision for Employee Benefits | 66.83 | 22.11 | 88.94 |
| Carried forward Business Losses | 1,003.92 | (1,003.92) | - |
| Allowance for doubtful debts | 69.06 | (7.29) | 61.78 |
| FVTPL Financial Assets | (4.30) | (40.36) | (44.67) |
| Total | (212.21) | (900.17) | (1,112.38) |
| Tax on OCI | 17.93 | 7.10 | 25.03 |
| Total | (194.28) | (893.07) | (1,087.35) |

b 2021-22

Deferred tax assets/(liabilities) in relation to:

| | Opening Balance | Recognised in Profit and Loss | Closing balance |
|---------------------------------|-----------------|-------------------------------|-----------------|
| Property, Plant and Equipment | (383.70) | (74.88) | (458.59) |
| Intangible Assets | (1,051.53) | 32.10 | (1,019.42) |
| Others | 56.02 | 74.27 | 130.30 |
| Provision for Employee Benefits | 39.43 | 27.39 | 66.83 |
| Carried forward Business Losses | 1,536.66 | (532.74) | 1,003.92 |
| Allowance for doubtful debts | 67.42 | 1.64 | 69.06 |
| FVTPL Financial Assets | (1.61) | (2.70) | (4.30) |
| Total | 262.70 | (474.91) | (212.21) |
| Tax on OCI | 9.18 | 8.75 | 17.93 |
| Total | 271.89 | (466.16) | (194.28) |

2 Income Tax**a Income tax recognised in profit or loss Year**

| | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|
| Current tax | | |
| In respect of the current year | 200.57 | - |
| Total | 200.57 | - |
| Deferred tax | | |
| In respect of the current year | 900.17 | 474.91 |
| Total | 900.17 | 474.91 |
| Total income tax expense recognised in the statement of Profit and Loss | 1,100.74 | 474.91 |

b The income tax expense for the year can be reconciled to the accounting profit as follows:

| | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|
| Profit before tax | 4,367.27 | 1,919.87 |
| Income tax rate (%) | 25.17% | 25.17% |
| Income tax expenses | 1,099.24 | 483.23 |
| Effect of expenses that are not deductible in determining taxable profit | 10.37 | 34.34 |
| Others | (8.87) | (42.66) |
| Income tax expense recognised in profit or loss | 1,100.74 | 474.91 |

45 Event after reporting period

No such event is to report.

46 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act.2013.

| | As at 31.03.2023 | As at 31.03.2022 |
|--|------------------|------------------|
| a.amount required to be spent by the Company during the year | 18.10 | - |
| b.amount of expenditure incurred | 18.10 | - |
| c.total of previous years gain | - | - |
| d.reason for shortfall | NA | - |

- 47 There are no cases of any undisclosed income in the financial statements.
- 48 As per the terms of working capital sanctioned by the bank, the company has submitted the books debts and stock statement on monthly basis to Bank. Further the book debts and stock statements submitted to the bank are in agreement with the books of accounts and there are no discrepancies in the same.
- 49 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary:
- 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 to or on behalf of the Ultimate Beneficiaries.
- 50 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- 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.
- 51 There are no delays in registrations of any charges or satisfactions with Registrar of Companies.
- 52 The company has not traded or invested in crypto currency or virtual currency during the current year and previous year.
- 53 The company has not entered any transactions in companies that were struck off under the relevant sections of the Companies Act 2013.
- 54 The company has obtained working capital limit from the bank, however the Company has not utilized the same during the year.
- 55 The company has not given any loans and advance to Promoters, Directors, KMPs or Related parties.
- 56 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Act, 1988 45 of 1988 the Rules made thereunder.
- 57 Company is not being declared wilful defaulter by any bank or financial institution or other lender.
- 58 Previous period's figures are regrouped to make them comparable with those of current period, wherever applicable.
- 59 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on 2nd May 2023.

60 Key Financial Ratios

| Ratios | Numerator | Denominator | As at March | As at March | % Change |
|-----------------------------------|---------------------------------------|--|-------------|-------------|-----------|
| | | | 2023 | 2022 | |
| a Current Ratio | Current Assets | Current Liabilities | 2.54 | 2.21 | 15.15% |
| b Debt Equity Ratio | Total Debts | Total Equity | 0.00 | 0.00 | 0.00% |
| c Debt service coverage ratio | EBITDA | Interest on borrowings | 99.82 | 125.12 | -20.22% |
| d Return on equity ratio | PAT | Average Total Equity | 13.31% | 6.03% | 120.63% # |
| e Inventory turnover ratio | COGS | Average Inventory | 3.89 | 3.94 | -1.16% |
| f Trade receivable turnover ratio | Sales of products | Average Trade receivables | 4.82 | 4.67 | 3.30% |
| g Trade payables turnover ratio | COGS | Average trade payables | 5.98 | 5.32 | 12.41% |
| 4 Net capital turnover ratio | Sales of products | Working Capital (Current Assets- Current Liabilities) | 2.62 | 3.30 | -20.78% |
| i Net profit ratio | Profit Before tax (PBT) | Sales of products | 12.40% | 7.06% | 75.78% # |
| j Return on capital employed | Profit before interest and tax (PBIT) | Average Capital employed | 16.10% | 8.18% | 96.69% # |
| k Return on investment | | | | | |
| Return on Mutual Fund | Income during the year | Time weighted average of investments | 6.81% | 5.62% | 21.13% |

On account of increase in profit.