

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

303/304, Shyam Kamal "D", Tejpal Road, Vile Parle East, Mumbai-400 057

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INDEPENDENT AUDITORS' REPORT

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Pidilite Chemicals PLC** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the relevant law 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In



making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

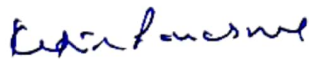
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted Loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards generally accepted in India.

For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W



Ketan Panchmia
Partner
Membership No. 038985



Date: 12/05/2022
Place: Mumbai

UDIN No.: 22038985AJELAU6636

Pidilite Chemical PLC
Balance Sheet as at 31 March 2022

Particulars	Notes	April 21- March 22	April 20- March 21
		BIRR	BIRR
ASSETS			
1. Non-current assets			
Property, Plant and Equipment	1	3,267	1,39,83,761
Capital work-in-progress	2	-	38,01,311
		3,267	1,77,85,072
		3,267	1,77,85,072
2. Current Assets			
Financial Assets (Current)			
Cash and cash equivalents	3	2,12,092	8,14,088
Loans	4	4,853	6,728
		2,16,945	8,20,816
Other Non - current assets	5	-	688
		2,16,945	8,21,504
		2,20,212	1,86,06,575
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	1,78,94,500	1,78,94,500
(b) Reserve & Surplus	7	(1,79,19,667)	(1,26,76,188)
Total Equity		(25,167)	52,18,311
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
Other financial liabilities	8	-	1,14,75,000
		-	1,14,75,000
2. Current Liabilities			
(a) Financial Liabilities			
Other financial liabilities	9	2,45,379	19,11,643
		2,45,379	19,11,643
Other current liabilities	10	-	1,621
		2,45,379	19,13,264
Total Liabilities		2,45,379	1,33,88,264
TOTAL		2,20,212	1,86,06,575

Notes forming part of the Financial Statements

For KHANNA & PANCHMIA
 CHARTERED ACCOUNTANTS

Ketan J Panchmia
 PARTNER
 Membership no. 38985

For and on behalf of the board
 PIDILITE CHEMICAL PLC

Pidilite Chemical PLC**Profit and Loss Account for the Year ended 31 March 2022**

Particulars	Note	April 21 - March 22	April 20 - March 21
		BIRR	BIRR
INCOME			
Other Income	11	3,19,792	1,92,662
Total Income		3,19,792	1,92,662
EXPENSES			
Employee Benefits Expense	12	21,059	19,09,860
Finance Costs	13	12,656	16,875
Depreciation and Amortization Expense	14	1,92,903	2,13,637
Other Expenses	15	53,36,653	8,50,205
Total Expenses		55,63,271	29,90,577
Reimbursement received		-	(1,06,619)
Profit/(loss) before Exceptional Items and Tax		(52,43,479)	(26,91,296)
Profit before Tax		(52,43,479)	(26,91,296)
Profit/(loss) for the year		(52,43,479)	(26,91,296)

Notes forming part of the Financial Statements

For KHANNA & PANCHMIA
CHARTERED ACCOUNTANTSFor and on behalf of the board
PIDILITE CHEMICAL PLCKetan J Panchmia
PARTNER

Membership no. 38985

12/5/2022

Pidilite Chemical PLC

Cash flow statement for the year ended 31 March 2022

Particulars	March -22	March -21
	BIRR	BIRR
Cash from Operations		
Profit/(Loss) Before Tax	(52,43,479)	(26,91,296)
Dividend declared out of Reserves		
Net Profit after Tax	(52,43,479)	(26,91,296)
Add: Non cash expenses		
Depreciation \ Amortisation	(10,19,507)	1,68,441
Finance costs recognised in profit or loss	12,656	16,875
Net cash Profit & loss account	(62,50,329)	(25,05,980)
Movement in Working Capital	(1,30,55,947)	86,525
(Increase) \ Decrease in working capital		
(Increase) / Decrease in Trade receivable		1,21,024
(Increase) / Decrease in Loans & Advances	2,563	1,544
Increase/(Decrease) in other current financial liabilities	(15,81,889)	13,16,055
Increase/(Decrease) in other current non financial liabilities	(1,14,75,000)	(13,50,000)
Increase/(Decrease) in other non current financial liabilities	(1,621)	(2,098)
Net cash from operating activities	(1,93,06,276)	(24,19,455)
Cash from Investments		
Purchase of Fixed Assets		97102.15
Write off of Assets	1,88,01,311	
Net cash from investment activities	1,88,01,311	97,102
Cash from Financing		
Infusion of equity share capital	-	21,52,110
Interest paid	(12,656)	(16,875)
Lease Rent Paid	(84,375)	84,375
Net cash from financing activities	(97,031)	22,19,610
Net Inflow \ (Outflow) of cash in business	(6,01,996)	(1,02,743)
Add : Opening cash balance	8,14,088	9,16,831
Closing Cash Balance	2,12,092	8,14,088
Actual cash balance as per books	2,12,092	8,14,088

Pidilite Chemical PLC
Notes to financials as at Year ended 31 March 2022.
Property, plant and equipment Schedule

1 & 2. Property, plant and equipment	Leasehold Land	Furniture & fixtures	Office equipment	Capital work in progress	Total
Gross Block					
Opening Balance	1,50,00,000	-	59,449	38,01,311	1,88,60,760
Additions	-	-	-	-	-
Disposals/Transfers	(1,50,00,000)	-	-	(38,01,311)	(1,88,01,311)
Translation adjustment	-	-	-	-	-
Closing Balance	-	-	59,449	-	59,449
Accumulated Depreciation					
Opening Balance	10,20,976	-	54,712	-	10,75,688
Depreciation expense	1,91,433	-	1,470	-	1,92,903
Disposals/Transfers	(12,12,409)	-	-	-	(12,12,409)
Translation adjustment	-	-	-	-	-
Closing Balance	-	-	56,182	-	56,182
Net Block	-	-	3,267	-	3,267

Notes to financials as at Year ended 31 March 2021.

1 & 2. Property, plant and equipment	Leasehold Land	Furniture & fixtures	Office equipment	Capital work in progress	Total
Gross Block					
Opening Balance	1,50,00,000	97,102	59,449	38,01,311	1,89,57,862
Additions	-	-	-	-	-
Disposals/Transfers	-	(97,102)	-	-	(97,102)
Translation adjustment	-	-	-	-	-
Closing Balance	1,50,00,000	-	59,449	38,01,311	1,88,60,760
Accumulated Depreciation					
Opening Balance	8,16,781	-	90,467	-	9,07,248
Depreciation expense	2,04,195	-	9,442	-	2,13,637
Disposals/Transfers	-	-	(45,196)	-	(45,196)
Translation adjustment	-	-	-	-	-
Closing Balance	10,20,976	-	54,712	-	10,75,688
Net Block	1,39,79,024	-	4,737	38,01,311	1,77,85,072

Particulars	As at 31st March 2022	As at 31st March 2021
	BIRR	BIRR
3. Cash and Cash Equivalents		
Balance with banks		
In Current Account	2,12,092	8,14,088
TOTAL	2,12,092	8,14,088
4. Short Term Loans & Advances		
Loans and Advances to Employees and Others	4,853	6,728
TOTAL	4,853	6,728
5. Other Current Non financial Assets		
Advances to vendors:	-	688
TOTAL	-	688
6. Equity Share Capital		
Authorised Share Capital :		
TOTAL		
Issued, Subscribed and Paid up Share Capital :		
Equity Shares 178,945 each of 100 Birr (Previous year share 139,922 each of 100 Birr)	1,78,94,500	1,78,94,500
Share Application Money		
TOTAL	1,78,94,500	1,78,94,500
7. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as per last financial statements (Surplus)	(1,26,76,188)	(99,84,892)
Add: Net Profit/(Net Loss) for the year	(52,43,479)	(26,91,296)
Closing balance (Surplus)	(1,79,19,667)	(1,26,76,188)
Total Reserves	(1,79,19,667)	(1,26,76,188)
8. Other Non-current financial liabilities		
Other financial liabilities - Leasehold land obligation	-	1,14,75,000
TOTAL	-	1,14,75,000
9. Other Current Financial Liabilities		
Lease liabilities		17,71,875
Other Current Financial liabilities	2,45,379	1,39,768
TOTAL	2,45,379	19,11,643
10. Other Current Non financial Liabilities		
Statutory remittances	-	1,621
TOTAL	-	1,621

Pidilite Chemical PLC
Notes to financials as at Year ended 31 March 2022

Particulars	April 20 - March 22	April 19- March 21
	BIRR	BIRR
11. Other Income		
Other Non-Operating Income:		
Profit on Foreign Exchange	1,39,779	1,92,662
Liabilities/ provisions no longer required written back	1,80,013	
Total	3,19,792	1,92,662
12. Employee Benefits Expense		
Salaries and Wages	21,059	19,09,860
Total	21,059	19,09,860
13. Finance Costs		
Interest expense on:		
Others	12,656	16,875
Total	12,656	16,875
14. Depreciation and Amortization		
Depreciation (Furniture)	-	6,373
Depreciation (Lease land)	1,91,433	2,04,195
Depreciation on tangible assets	1,470	3,070
Total	1,92,903	2,13,637
15. Other Expenses		
Rent	-	4,57,321
Travelling and Conveyance Expenses	-	46,589
Communication Expenses	-	24,684
Legal, Professional and Consultancy fees	-	2,70,433
Security exps	-	3,000
Loss on sale of Furniture	-	18,906
Loss on tangible assets sold /discarded (net)	53,35,059	
Miscellaneous expenses	1,594	24,634
Printing and Stationery	-	4,637
Total	53,36,653	8,50,205

1 Legal Status, Management and Business Activity

Pidilite Chemical PLC is a Limited Liability Company incorporated on December 10th 2014.

The Company is formed to carry on manufacturing and trading of adhesives, sealants and construction chemical products.

2 Basis of Preparation of Financial Statements

These financial statements are prepared on a going concern basis. They are presented in Birr, currency unit of Ethiopia.

The financial statements have been prepared under the historical cost convention basis.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3 Going Concern Assumption

The retained losses have exceeded its share capital of the Company. The financial statements of the Company are being prepared on a going concern basis as the shareholders have undertaken to provide continued financial support to the Company to meet its capital requirements. The Management has no intention to liquidate or discontinue with its operations. The assets and liabilities are recorded on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

4 Summary of Significant Accounting Policies

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of sales returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria has been met for the Company activities.

Sale of goods are recognised when the Company sells a product to the customer as control passes to the customer on the day the transaction takes place, in terms of the product being delivered to the customer or the customer accepts the products in accordance with the terms of sale.

Financial Instruments

Financial assets are recognised when the Company becomes a party to the contractual provision of the financial instrument. Financial assets are derecognised when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company derecognises financial liabilities when they are discharged, cancelled or expired. These are stated at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet which are classified as non-current liabilities.

Financial instruments comprise of trade and other receivables, trade and other payable, amounts due to related parties and short term bank borrowings.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and banks accounts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Borrowings

Borrowings are recognised at the transaction price, including transaction costs. Interest expense is recognised on the basis of the effective interest method and is included in finance cost.

Provisions

Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that the outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation and the risk specific to the obligation.

Foreign Currencies Translations

The financial statements are presented in Birr, which is the Company's functional currency and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year - end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.