

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**To the Members of
Pidilite Litokol Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Pidilite Litokol 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 period 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 loss, total comprehensive income, its cash flows and changes in the equity for the period 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 Ind 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 control 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts; 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. The Company has not declared or paid any dividend during the year hence no compliance is required 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, 28th April 2023

UDIN # 23038987BGXBBF4146

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.
- (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 so to cover all the assets 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 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) The Company has not been sanctioned working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (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 investments, or provided guarantee or security, 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 public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The Cost records prescribed under Section 148(1) of the Act are not applicable to the Company and hence Clause 3(vi) of the Order is not applicable.
- (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) There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2023 on account of any dispute.
- (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 taken any loans or other borrowings from any lender hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (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 (in-



- cluding 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, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- (xiv) In our opinion and according to the information and explanations given to us, during the year provisions of section 138 relating to Internal Audit System are not applicable to Company, hence, reporting under clause 3(xiv)(a) and (b) of the Order is not applicable.
- (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 but has incurred cash loss of INR 1.04 Lakhs during 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) Currently Provisions of Section 135(5) of the Companies Act are not applicable to the Company, hence the reporting under clause 3(xx) of the Order is not applicable.

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


Devendra Khanna
PARTNER
Membership No. 38987

Mumbai, 28th April 2023

UDIN # 23038987BGXBBF4146



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 **Pidilite Litokol 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 control 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.

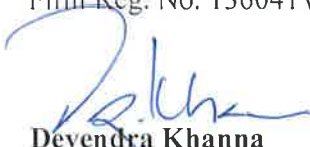
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 control 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, 28th April 2023

UDIN # 23038987BGXBBF4146



PIDILITE LITOKOL PRIVATE LIMITED

Balance sheet as at 31st March, 2023

(₹ in Lakhs)

	Notes	31st March, 2023	31st March, 2022
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	3,075.73	142.94
(b) Capital work-in-progress	4	26.57	1,628.29
(c) Intangible Asset	5	43.17	2.56
(d) Financial Assets			
i) Others	6	24.72	2.35
(e) Income Tax Assets (net)	7	1.67	0.00
(e) Deferred Tax Asset		3.61	
(f) Other Non Current Assets	8	69.06	44.73
		<u>3,244.53</u>	<u>1,820.87</u>
2. Current assets			
(a) Inventories	9	346.19	0.00
(b) Financial Assets			
i) Investments	10	678.51	0.00
ii) Trade Receivables	11	134.66	0.00
iii) Cash and cash equivalents	12	87.33	705.19
(c) Other Current Assets	13	334.38	49.92
		<u>1,581.06</u>	<u>755.10</u>
Total		<u>4,825.60</u>	<u>2,575.97</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	260.00	187.50
(b) Other Equity	15	4,225.13	2,278.17
		<u>4,485.13</u>	<u>2,465.67</u>
LIABILITIES			
Non Current Liabilities			
(a) Provisions	16	5.12	0.00
2. Current liabilities			
(a) Financial liabilities			
i) Trade Payables			
Outstanding dues of micro and small enterprises	18	6.34	0.15
Outstanding dues other than above	18	289.31	41.51
ii) Other Current Financial Liabilities	19	32.85	61.72
(b) Other Current Liabilities	20	2.74	5.19
(c) Provisions	17	0.05	0.00
(d) Current Tax Liabilities (net)	21	4.06	1.72
Total Equity and Liabilities	Total	<u>4,825.60</u>	<u>2,575.97</u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Khanna & Panchmia

Chartered Accountants

Firm Reg. No. 136041W

Devendra Khanna

Partner

Mem.No. 038987



For and on behalf of the Board

Sanjay Bahadur
Sanjay Bahadur
Director

Prabhakar Jain
Prabhakar Jain
Director

Mumbai

Dated : 28th April 2023

PIDILITE LITOKOL PRIVATE LIMITED

Statement of profit and loss for the year ended 31 March 2023

(₹ in Lakhs)

		₹	₹
	Notes	2022-23	2021-22
Income			
Revenue from Operations	22	349.16	-
Other Income	23	47.75	11.53
Total Income (I)		396.91	11.53
Expenses			
Cost of Materials Consumed	24	354.17	-
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Transit	25	(81.13)	-
Employee benefit expenses	26	47.04	-
Depreciation and Amortization Expense	27	40.16	0.37
Other Expenses	28	58.06	12.57
Total expenses (II)		418.31	12.94
Profit/(loss) for the year (I-II)		(21.40)	(1.40)
Tax expense			
Current tax - Current		-	2.90
Provision for Deferred Tax (asset)/liability		(3.61)	-
Profit/(loss) for the year		(17.79)	(4.31)
Other Comprehensive Income		-	-
Total Comprehensive Income		(17.79)	(4.31)
Earning per share			
Basic	16	(0.01)	(0.00)
Diluted		(0.01)	(0.00)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Khanna & Panchmia

Chartered Accountants

Firm Regn. No.: 136041W

Devendra Khanna

Partner

Mem.No. 038987

Mumbai

Dated : 28th April 2023



For and on behalf of the Board

Sanjay Bahadur
Sanjay Bahadur
Director

Prabhakar Jain
Prabhakar Jain
Director



PIDILITE LITOKOL PRIVATE LIMITED

Cash flow statement for the year ended 31st March, 2023

	(₹ in Lakhs)	
	31 March 2023	31 March 2022
	₹	₹
Cash flows from operating activities		
Profit/(loss) before tax	(21.40)	(1.40)
Adjustments for:		
Depreciation & amortization	40.16	0.37
MTM Gain loss on Investments	(24.74)	
Movements in working capital:		
(Increase)/decrease in Inventory	(346.19)	-
(Increase)/decrease in Trade Receivables	(134.66)	
(Increase)/decrease in other assets	(332.83)	(38.14)
Increase/(decrease) in Other Current Liabilities	(26.15)	63.45
Increase/(decrease) in trade payables	253.98	4.53
Cash generated from Operations	(591.83)	28.81
Income taxes paid	(2.33)	(1.18)
Net Cash from Operating Activities (A)	(589.50)	27.63
Cash flows from investing activities		
Sale/(Purchase) of Property plant and Equipment (incl intangibles)	(3,013.57)	(2.93)
(Increase)/decrease in CWIP	1,601.72	(1,230.33)
Net cash flows from/(used in) investing activities (B)	(1,411.85)	(1,233.26)
Cash flows from financing activities		
Investments/(Proceeds) in Mutual Funds	(653.77)	-
Proceeds from/(Repayment of) issue of shares	2,037.25	-
Net cash flows from/(used in) financing activities (C)	1,383.48	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(617.86)	(1,205.63)
Cash and cash equivalents at the beginning of the year	705.19	1,910.82
Cash and cash equivalents at the end of the year	87.33	705.19
Components of cash and cash equivalents		
Cash on hand	-	0.10
Balances with banks - in current accounts	87.33	75.09
In Fixed Deposit Accounts with original maturity of 3 months or less	-	630.00
Total cash and cash equivalents	87.33	705.19

Summary of significant accounting policies

2

As per our report of even date

For and on behalf of the Board

For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W

Devendra Khanna
Devendra Khanna
Partner
Mem.No. 038987



Mumbai
Dated : 28th April 2023



Sanjay Bahadur

Sanjay Bahadur
Director

Prabhakar Jain
Prabhakar Jain
Director

PIDILITE LITOKOL PRIVATE LIMITED

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

(₹ in Lakhs)

a. Equity Share Capital	As on 31st March, 2023	As on 31st March, 2022
Opening Balance	187.50	187.50
Changes in equity share capital during the year	72.50	-
Closing Balance	260.00	187.50

(₹ in Lakhs)

b. Other Equity	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at March 31, 2021	2,292.50	(10.02)	2,282.48
Profit/(Loss) for the year	-	(4.31)	(4.31)
On Issue of equity shares during the year	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-
Balance at March 31, 2022	2,292.50	(14.33)	2,278.17
Profit/(Loss) for the year	-	(17.79)	(17.79)
On Issue of equity shares during the year	1,964.75	-	1,964.75
Other comprehensive income for the year, net of income tax	-	-	-
Balance at March 31, 2023	4,257.25	(32.12)	4,225.13

As per our report of even date

For Khanna & Panchmia
Chartered Accountants
Firm Regn. No.: 136041W

Devendra Khanna
Devendra Khanna
Partner
Mem.No. 038987

Mumbai
Dated : 28th April 2023



For and on behalf of the Board

Sanjay Bahadur
Sanjay Bahadur
Director

Prabhakar Jain
Prabhakar Jain
Director

Notes to the financial statements for the year ended 31 March 2023**Note 1 Corporate Information**

Pidilite Litokol Private Limited ("The Company") having its registered office at Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point Mumbai, Maharashtra, India, 400021.

The main objects of the company is to carry on the business of manufacturing, trading, purchasing, processing, repackaging, selling, import, export, and distributing chemicals and chemical compounds of all kinds which amongst others will include epoxy grouts, reactive epoxy adhesives, Urethane water based groused and other chemical based products.

The Company is incorporated on 07th October 2019.

Note 2 Summary of 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 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Taxation**Accounting for Taxes on Income**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred Taxation

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.

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.



2.4 Property, plant and equipment

2.4.1 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.

2.4.2 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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.

2.4.3 Depreciation/ Amortisation-Useful lives of intangible assets

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.

Type of Asset	Useful Life
Computer Software	6 years

2.5 Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.6 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – Earnings per Share. Basic earnings per share is computed by dividing the net profit attributable to the equity shareholder by weighted average number of equity shares outstanding during the reporting year.

2.7 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.

2.8 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.

2.9 Financial instruments

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

2.10 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.

2.11 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.

2.12 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.

2.13 Employee benefits

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

2.13.1 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.

2.13.2 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.

2.13.3 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.



Notes forming part of financial statements.

3 Property, Plant and Equipment

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Carrying Amounts		
Freehold Land	142.94	142.94
Building	1,019.87	-
Plant and Machinery	1,847.69	-
Furniture and Fixture	26.37	-
Office Equipment	38.86	-
TOTAL	3,075.73	142.94

Gross Carrying amount	Freehold Land*	Building	Plant and Machinery	Furniture and Fixture	Office Equipment
Balance as at 1st April, 2021					
Acquisitions	142.94				
Disposal / Adjustment	-				
Balance at March 31, 2022	142.94				
Acquisitions		1,030.30	1,873.55	27.23	41.38
Balance at March 31, 2023	142.94	1,030.30	1,873.55	27.23	41.38

Accumulated depreciation	Freehold Land*	Building	Plant and Machinery	Furniture and Fixture	Office Equipment
Balance as at 1st April, 2021	-				
Depreciation expense	-				
Disposal / Adjustment	-				
Balance at March 31, 2022	-				
Depreciation expense	-	(10.43)	(25.86)	(0.86)	(2.51)
Balance at March 31, 2023	-	(10.43)	(25.86)	(0.86)	(2.51)

Net Carrying Amount	Freehold Land*	Building	Plant and Machinery	Furniture and Fixture	Office Equipment
Balance as at 1st April, 2021	-				
Additions	142.94				
Adjustment/Disposal	-				
Depreciation expense	-				
Balance at March 31, 2022	142.94	-	-	-	-
Additions		1,030.30	1,873.55	27.23	41.38
Depreciation expense		(10.43)	(25.86)	(0.86)	(2.51)
Balance at March 31, 2023	142.94	1,019.87	1,847.69	26.37	38.86

* Titledeed of Freehold land is in the name of the Company



4 Capital Work in Progress

(₹ in Lakhs)

		As at 31st March 2023	As at 31st March 2022
Capital Work in Progress		26.57	1,628.29
TOTAL		26.57	1,628.29

As at 31st March 2023					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	26.57	-	-	-	26.57
Projects temporarily suspended	-	-	-	-	-

As at 31st March 2022					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	1,530.49	97.80	-	-	1,628.29
Projects temporarily suspended	-	-	-	-	-

Note: The Capital Work in Progress pertains to a manufacturing plant. There is no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan. Further, there is no project which has been suspended temporarily either in current year or previous

5 Intangible Assets

(₹ in Lakhs)

		As at 31st March 2023	As at 31st March 2022
Software		2.07	2.56
Technical Knowhow		41.10	-
TOTAL		43.17	2.56

Gross Carrying amount	Software	Technical Knowhow
Balance as at 1st April, 2021		
Acquisitions	2.93	
Balance as at 1st April, 2022	2.93	-
Acquisitions	-	41.11
Disposal / Adjustment	-	-
Balance at March 31, 2023	2.93	41.11

Accumulated depreciation	Software	Technical Knowhow
Balance as at 1st April, 2021		
Acquisitions	(0.37)	
Balance as at 1st April, 2022	(0.37)	
Depreciation expense	(0.49)	(0.01)
Disposal / Adjustment	-	-
Balance at March 31, 2023	(0.85)	(0.01)

Net Carrying Amount	Software	Technical Knowhow
Balance as at 1st April, 2021		
Acquisitions	2.93	
Depreciation expense	(0.37)	
Balance as at 1st April, 2022	2.56	
Additions	-	41.11
Adjustment/Disposal	-	-
Depreciation expense	(0.49)	(0.01)
Balance at March 31, 2023	2.07	41.10



PIDILITE LITOKOL PRIVATE LIMITED

		(₹ in Lakhs)	
		As at	As at
		31st March 2023	31st March 2022
6	Other Financial Assets- Non Current		
	Unsecured, considered good		
	Security Deposit	24.72	2.35
	TOTAL	24.72	2.35
7	Income Tax Assets (net) Non Current		
	Advance Income Tax (Net of Provisions)-Non Current	1.67	-
	TOTAL	1.67	-
8	Other Non Current Assets		
	Unsecured, considered good		
	Advance to Capital Vendors	69.06	44.73
	TOTAL	69.06	44.73
9	Other Non Current Assets		
	Raw Material & Packing Material *	265.06	-
	Work-in-Progress	19.59	-
	Finished Goods	61.54	-
	TOTAL	346.19	-
10	Financial Assets - Investments - Current		
	Current Investments (at fair value)		
	Units of Tata Liquid Fund Direct Plan - Growth	678.15	-
	Units of Tata Overnight Fund - Direct Plan- Growth	0.35	-
	TOTAL	678.51	-



11 Trade Receivables

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good	134.66	-
Considered Doubtful	-	-
	134.66	-
Less: Allowances for Expected Credit Loss	-	-
TOTAL	134.66	-

As at 31st March'2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	134.66	-	-	-	-	-	134.66
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
Total	134.66	-	-	-	-	-	134.66

As at 31st March'2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-



PIDILITE LITOKOL PRIVATE LIMITED

12 Cash and Cash Equivalents

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Cash and Cash Equivalents		
Cash on Hand	-	0.10
Balance with banks		
In Current Account	87.33	75.09
In Fixed Deposit Accounts with original maturity of 3 months or less	-	630.00
TOTAL	87.33	705.19

13 Other Financial Assets- Current

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good		
Prepaid Expenses	4.85	-
Advance to Suppliers/Others	29.26	-
Balance with Government Authorities	300.27	49.76
Others	-	0.16
TOTAL	334.38	49.92

14 Share Capital

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Authorised Capital :		
40,00,000 Equity Shares of Rs.10 each	400.00	200.00
(20,00,000 Equity Shares of Rs.10 each)		
TOTAL	400.00	200.00
Issued Capital :		
26,00,000 Equity Shares of Rs.10 each, fully paid-up	260.00	187.50
(18,75,000 Equity Shares of Rs.10 each, fully paid-up)		
TOTAL	260.00	187.50
Subscribed and Paid up Capital :		
26,00,000 Equity Shares of Rs.10 each, fully paid-up	260.00	187.50
(18,75,000 Equity Shares of Rs.10 each, fully paid-up)		
TOTAL	260.00	187.50

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

	31st March, 2023		31st March, 2022	
	Number of Shares	Rs.	Number of Shares	Rs.
Opening Balance	18,75,000	187.50	18,75,000	187.50
Additions during the year	7,25,000	72.50	-	-
Closing Balance	26,00,000	260.00	18,75,000	187.50

Terms/ Rights attached to equity shares

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

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.



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

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Limited	15,60,000	60.00%	11,25,000	60.00%
Litokol S.P.A.	10,40,000	40.00%	7,50,000	40.00%

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

Promoter Name	No. of Shares	% of Holding	% change during the year
Pidilite Industries Limited	15,60,000	60.00%	0.00%
Litokol S.P.A.	10,40,000	40.00%	0.00%

15 Other Equity

	As at 31st March 2023	As at 31st March 2022
Retained Earnings		
Opening Balance	(14.33)	(10.02)
Add: Profit/(loss) for the year	(17.79)	(4.31)
Closing Balance	(32.12)	(14.33)
Securities Premium		
Opening Balance	2,292.50	2,292.50
Add: Premium on Shares issued during the year	1,964.75	-
Closing Balance	4,257.25	2,292.50
Total	4,225.13	2,278.17

Notes forming part of financial statements.

16 Non Current Provisions

	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits		
Gratuity	3.60	-
Compensated absences	1.52	-
	5.12	-

17 Current Provisions

	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits		
Gratuity	0.00	-
Compensated absences	0.05	-
	0.05	-

18 Trade Payables

	As at 31st March 2023	As at 31st March 2022
Total Outstanding dues to Micro Enterprises & Small Enterprises	6.34	0.15
Total Outstanding dues to Others	289.31	41.51
TOTAL	295.65	41.67

Particulars	As at 31.03.2023				
	Outstanding for following periods from due date of				
	Not Due	less than 1 ye	1-2 years	2-3 years	Total
(i) MSME*	6.34	-	-	-	6.34
(ii) Others	72.44	216.88	-	-	289.31
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues -Others	-	-	-	-	-
Total	78.77	216.88	-	-	295.65

Particulars	As at 31.03.2022				
	Outstanding for following periods from due date of				
	Not Due	less than 1 ye	1-2 years	2-3 years	Total
(i) MSME*	-	0.15	-	-	0.15
(ii) Others	-	41.51	-	-	41.51
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues -Others	-	-	-	-	-
Total	-	41.67	-	-	41.67

*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. No dues are outstanding for more than 45 days.



PIDILITE LITOKOL PRIVATE LIMITED

19 Other Current Financial Liabilities

	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Liabilities for expenses	19.81	9.81
Employee related liabilities	0.46	-
Retention towards Capital Goods	12.58	51.91
TOTAL	32.85	61.72

20 Other Current Liabilities

	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Statutory Remittances	2.74	5.19
TOTAL	2.74	5.19

21 Current Tax Liabilities (net)

	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Provision for Tax	4.06	1.72
TOTAL	4.06	1.72



PIDILITE LITOKOL PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2023

(₹ in Lakhs)

	2022-23	2021-22
22 Revenue From Operations		
Sale of Products		
Finished Goods	348.59	-
TOTAL (A)	348.59	
Other Operating Revenue		
Scrap Sales	0.58	
TOTAL (B)	0.58	
Revenue from operations (A+B)	349.16	-
23 Other Income		
Interest on:		
Bank Deposit	3.13	11.53
Net Gain on Sale of :		
Current Investments	14.77	-
Other Non-Operating Income:		
Miscellaneous Income	0.09	-
Net loss on foreign currency transactions and translation	5.02	
Net gain/(loss) arising on financial assets / Liabilities designated as at FVTPL	24.74	-
TOTAL	47.75	11.53
24 Cost of Materials Consumed		
Inventory at the beginning of the year	-	-
Add : Purchases *	619.24	
	619.24	-
Less : Inventory at the end of the year *	265.06	
TOTAL	354.17	-
25 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Transit		
Inventories at end of the year		
Work In Progress	19.59	
Finished Goods	61.54	
(A)	81.13	-
Inventories at beginning of the year		
Finished Goods	-	-
(B)	-	-
(B)-(A)	(81.13)	-
26 Employee Benefit Expenses		
Salaries and Wages	35.19	-
Contribution to Provident and Other Funds	5.34	-
Gratuity	3.60	
Staff Welfare Expenses	2.90	-
TOTAL	47.04	-
27 Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipment	39.66	
Amortization of Intangible Assets	0.50	0
	40.16	0
28 Other expenses		
Rates and Taxes	0.02	0.63
Clearing, Forwarding and Octroi Duty	0.88	-
Insurance	3.46	-
Legal, Professional and Consultancy fees	5.81	6.79
License fees	2.27	-
Printing and Stationery	0.30	-
Processing and Packing Charges	28.28	-
Rent and Brokerage	-	0.56
Repairs		
Machinery	0.02	-
Others(Repairs)	0.06	-
Travelling and Conveyance Expenses	8.74	-
Software AMC Charges	-	0.83
Payments to auditors		
As Auditor's Remuneration	1.00	0.40
For Other Services	0.35	0.25
For Certifications	-	0.15
Miscellaneous expenses	6.88	2.97
TOTAL	58.06	12.57



Note 29

Earnings per share

Computation for both basic and diluted earnings per share of ₹ 10/- each (previous year ₹ 10/- each):

a. Profit as per statement of profit & loss available for equity shareholders	(17.79)	(4.31)
b. Number of equity shares for basic and diluted earnings per share computation	2,600,000	1,875,000
c. Basic and diluted earnings per share (₹)	(0.01)	(0.00)

Note 30

Related party disclosure:

i. Name of related parties and relationship

- a) Pidilite Industries Ltd. - Holds 15,60,000 numbers of equity shares of company (11,25,000 shares)
- b) Litokol S.P.A. - Holds 10,40,000 number of equity shares of company (7,50,000 shares)

II. Key Management Personnel -

Mr. Sanjay Bahadur
Mr. Prabhakar Jain

iii. Transaction with Related parties:

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Pidilite Industries Limited	Litokol S.P.A.	Pidilite Industries Limited	Litokol S.P.A.
(a) Issue and Allotment of shares	43.50	29.00	-	-
(b) Securities Premium on Issue of Shares	1,178.85	785.90	-	-
(c) Availing of Goods/Services	43.08	287.66	14.68	8.42
(d) Sales of Goods	348.59	-	-	-
(e) Outstanding Other Payable Balances	42.32	48.07	12.18	-
(f) Outstanding Trade Receivables	134.98	-	-	-

Note 31 Contingent Liabilities and Commitments

Particulars	31st March 2023	31st March 2022
A) Contingent liabilities not provided for:		
1. Guarantees given by Banks in favor of Customs Authorities	NIL	NIL
2. Claims against the Company not acknowledge as Debts comprise:	NIL	NIL
B) Commitments:		
1. Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	NIL	NIL
2. Other Commitments - Non Cancellable Operating Leases	NIL	NIL

Note 32

Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006	31st March 2023	31st March 2022
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	6.34	0.15
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(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	NIL	NIL
TOTAL	6.34	0.16

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.



PIDILITE LITOKOL PRIVATE LIMITED

Note 33

Financial Instruments

a) Capital Management

The Company manages its capital to ensure that it is able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company did not have any debt as on 31st March 2023 and as at 31st March 2022.

b) Categories of financial instruments

	31st March 2023	31st March 2022
Financial assets		
Measured at amortised cost:-		
Other Financial Assets	1,172.26	52.26
Cash and bank balances	87.33	705.19
Financial liabilities		
Measured at amortised cost:-		
Trade Payables	295.65	41.67
Other Financial Liabilities	35.59	66.91

c) Financial risk management objectives

i) 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 and as on 31st March 2022. Also it has sufficient cash and bank balances and support from the parent company and hence the company does not foresee any liquidity risk.

ii) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as other balances with banks. The Company deals with counterparties that have high credit rating. The exposure and credit ratings of its counterparties are continuously monitored.

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include financial assets and liabilities.

iv). 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 that have not been hedged by a Derivative Instruments 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
Other Current Financial Liabilities				
USD	50,000		41.09	
EUR	-	61,431	-	51.91

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	0.62	1.04

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

ii) 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 not measured at fair value

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	Fair value
Financial assets				
Financial assets carried at Amortised Cost	87.33	87.33	705.19	705.19
Cash and cash equivalents	334.38	334.38	49.92	49.92
Others Current Assets	24.72	24.72	2.35	2.35
Others (Non current Assets) (incl. Capital Advances)	446.43	446.43	757.45	757.45
Total				
Financial liabilities				
Financial liabilities held at amortised cost				
Trade Payables	295.65	295.65	41.67	41.67
Other Financial Liabilities	35.59	35.59	66.91	66.91
Total	331.24	331.24	108.58	108.58

Note 34: Ratios

The following are analytical ratios for the year ended 31st March 2023 and 31st March 2022:-

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
Current Ratio (Refer Note (i))	Current Assets	Current Liabilities	4.71	6.85	-31.13%
Debt-Equity Ratio *	Borrowings	Shareholder's Equity	-	-	0.00%
Debt Service Coverage Ratio *	Earnings available for Debt Service	Debt Service	-	-	0.00%
Return on Equity Ratio (Refer Note (ii))	Net Profits After Tax	Average Shareholder's Equity	(0.08)	(0.02)	246.16%
Inventory Turnover Ratio (Refer Note (iii))	Cost of Goods Sold	Average Inventory	1.58	-	0.00%
Trade Receivables Turnover Ratio	Net Sales	Average Debtors	5.19	-	0.00%
Trade Payables Turnover Ratio (Refer Note (iv))	Cost of Goods Sold	Average Creditors	1.62	-	0.00%
Net Capital Turnover Ratio (Refer Note (v))	Net Sales	Working Capital	0.28	-	0.00%
Net Profit Ratio (Refer Note (vi))	Profit Before Tax	Net Sales	(0.06)	-	0.00%
Return on Capital Employed (Refer Note (vii))	Profit Before Interest and Tax	Average Capital Employed	-	-	0.00%
Return on Investment	Net Return on Investment	Cost of Investment	2.64%	1.83%	0.441



Note 35 : Event after reporting period - No such event is to report.

Note 36 : The company doesn't meets the eligibility criteria as per Section 135 of the Companies Act, 2013.

Note 37 : There are no cases of any undisclosed income in the financial statements.

Note 38 : 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.

Note 39 : 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.

Note 40: There are no registrations of any charges or satisfactions with Registrar of Companies.

Note 41 : The company has not traded or invested in crypto currency or virtual currency during the current year and Previous year.

Note 42 : The company has not entered any transactions in companies that were struck off under the relevant sections of the Companies Act 2013.

Note 43 : The company has not obtained any borrowing from the bank or financial institution.

Note 44 : The company has not given any loans and advance to Promoters, Directors, KMPs or Related parties.

Note 45 : 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.

Note 46 : Company is not being declared wilful defaulter by any bank or financial institution or other lender.

Note 47 : The amounts and disclosures included in the financial statements of the previous year have been reclassified and regrouped wherever necessary.

Note 48: Approval of financial statements: The financial statements were approved for issue by the board of directors on 28th April 2023.

The accompanying notes are forming part of the financial statements.
As per our report of even date

For Khanna & Panchmia

Chartered Accountants

Firm Reg. No. 136041W

Devendra Khanna

Partner

Mem.No. 038987

Mumbai

Dated : 28th April 2023



For and on behalf of the Board

Sanjay Bahadur
Director

Prabhakar Jain
Director

