

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIS ADHESIVES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/S AIS ADHESIVES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters have been determined by us for including in our report:



S.No.	Key Audit Matters	Auditor's Response
1.	<p>Transactions with related Parties:</p> <ul style="list-style-type: none"> • Revenue from Sale of Finished Goods. • Availing Marketing Services. • Granting of Loan out of Surplus Funds available with the company. 	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> • We have read the contracts with related parties and unrelated parties, analysed and identified the performance obligations, and determine the rates charged for goods supplied. • We have tested the revenue recognised from related party, interest on loans and cost of services availed whether the rates are charged as per the agreed terms of the contracts and also compared the rates charged to unrelated parties. • We have also communicated to those charge with governance considering the significance of the matter and the reliability of the rates agreed, whether the rates charged are at Arm's Length basis. • We have also considered the adequacy of financial report disclosures included in the summary of significant accounting policies in Note 1 to the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the Director's report, which is expected to be made available to us after that date.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.



Management's Responsibilities for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 control 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 the 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS



specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, no remuneration has been paid by the Company to its directors during the year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- (v) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which does not have a feature of recording audit trail throughout the year for all relevant transactions recorded in the software. Due to this audit trail has not been preserved by the company as per the statutory requirement for record retention.

For A SHARMA & CO.
Chartered Accountants

FRN:002642N



Signature

(ANJU SHUKLA)

Partner

M No. 511590

UNID: 24511590BKJRAQ8059

Place: New Delhi

Dated: 13.05.2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AIS ADHESIVES LIMITED of even date)

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Property, Plant and Equipment and Intangible Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment as well as intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and so to cover all the assets once in a year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Since the company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) and therefore, reporting under clause 3(i)(c) is not applicable.
 - (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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) Inventories have been physically verified by the management at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory between the books and the physical verification were noticed.
 - (b) The Company has not been sanctioned working capital limits in excess of ₹5 crores, 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 (a) During the year, the company has not made any investments.



- (b) During the year the company has provided loans to entities but has not provided any advances in the nature of loans, or stood guarantee, or provided security to any entity. Balance outstanding as at the Balance Sheet date are given below:

(Rs. In Lakhs)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year	Nil	Nil	Nil	Nil
<ul style="list-style-type: none"> - Subsidiaries - Joint Ventures - Associates - Others 	Nil	Nil	Rs. 850	Nil
Balance outstanding as at balance sheet date in respect of above cases				
<ul style="list-style-type: none"> - Subsidiaries - Joint Ventures - Associates - Others 	Nil	Nil	Rs. 910	Nil

- (c) In respect of loans the schedule of repayment of principal and payment of interest has not been stipulated.
- (d) Since there is no schedule of repayment in respect of loans granted by the company, the reporting on overdue amount and steps taken for their recovery are not applicable.
- (e) The loans granted by the company have not fallen due during the year. Therefore, the para 3(iii)(e) regarding renewal or extension or fresh loans granted to settle the overdues of existing loans are not applicable

- (f) (Rs. In Lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advance in nature of loans			
-Repayable on demand (A)	Rs. 910	Nil	Rs. 910
-Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Rs. 910	Nil	Rs. 910



Percentage of loans/ advances in nature of loans to the total loans	100%	Nil	100%
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iv. In respect of loans, provisions of sections 185 and 186 of the Companies Act have been complied with. The company has not made any investment, given guarantees and security during the year and therefore the compliance of Section 185 and 186 of the Companies Act are not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. Provisions for maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, were not applicable to the company. Hence para 3(vi) of the order was not applicable.

vii. In respect of Statutory dues:

(a) 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, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except Rs.2.98 lakhs payable towards tax deducted at source as reflected in TRACES Portal.

(b) There were no disputed statutory dues pending referred to in sub-clause (a).

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 borrowings during the year, hence reporting for any default in repayment of loans or borrowings or in the payment of interest thereon to any lender under clause 3(ix)(a) of the Order are not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution.

(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 regarding application of loan for the purpose for which obtained and any diversion of loan amount under clause 3(ix)(c) of the Order are 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, associates or joint ventures, hence reporting under clause 3(ix)(e) of the Order are not applicable
 - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and hence reporting on clause 3(ix)(f) of the Order are not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under 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 convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year, reporting regarding nature and amount involved is not applicable.
- (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 and upto the date of this report.
- (c) As represented to us by the management there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. All the following transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013; wherever applicable and the Related Party disclosure as required by IndAS 24 Related Party Disclosures are duly disclosed in the Financial Statements.
- xiv. The provisions relating to Internal Audit under the Act are not applicable to the company, hence Clause 3(xiv) not applicable to the company.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.



(b) 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 losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year, reporting regarding consideration of issues, objections and concerns raised by the outgoing auditors are not applicable.
- 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 was no amount unspent which was required to be transferred to a fund specified in Schedule 7 to the Companies Act, 2013 within a period of 6 months of the expiry of Financial Year in compliance with section 135(5) of the said act.
- (b) There was no amount remained unspent on any ongoing project which was required to be transferred to special account in compliance with section 135(6) of the said act.

For A SHARMA & CO.
Chartered Accountants
FRN:002642N


Signature
(ANJU SHUKLA)
Partner



Place: New Delhi
Dated: 13.05.2024

M No. 511590
UNID: 24511590BKJRAQ8059



A. Sharma & Co.

CHARTERED ACCOUNTANTS

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AIS ADHESIVES LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of AIS ADHESIVES LIMITED (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to standalone Financial Statements

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2024:

The Company is using an accounting software for maintaining its books of accounts which does not have feature of recording audit trail throughout the year which is not only non-compliance of statutory requirement under the Companies Act but also may result in none detection of alteration made.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal



control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company, and this material weakness do not affect our opinion on the standalone financial statements of the Company.

For A SHARMA & CO.
Chartered Accountants
FRN:002642N



(ANJU SHUKLA)
Partner

Place: New Delhi
Dated: 13.05.2024

M No. 511590
UNID: 24511590BKJRAQ8059

AIS ADHESIVES LIMITED
BALANCE SHEET AS AT 31st March 2024

(Rs. Lakhs)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Non-current assets			
Property, plant & equipment	2a	85.16	90.59
Intangible assets other than Goodwill	2b	0.02	0.02
Right to Use	2b	99.68	115.26
Other financial assets	3	13.98	212.19
Deferred tax assets (net)	4	14.50	21.58
Total non-current assets		213.34	439.64
Current assets			
Inventories	5	484.19	566.13
Financial assets			
Investment	6	5.15	5.90
Trade receivables	7	415.60	558.24
Cash and cash equivalent	8	2004.63	1334.24
Loans	9	1123.78	561.99
Other financial assets	10	24.43	26.58
Current tax assets (net)	11	0.00	14.05
Other current assets	12	167.02	197.22
Total current assets		4224.79	3264.35
TOTAL ASSETS		4438.14	3703.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	219.51	219.51
Other equity	14	3628.45	3008.54
Total equity		3847.96	3228.05
Liabilities			
Non-current liabilities			
Financial liabilities			
Leased Liabilities		96.91	112.90
Provisions	15	19.92	17.85
Total non-current liabilities		116.83	130.75
Current liabilities			
Financial liabilities			
Leased Liabilities		17.07	14.30
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 19)	16	6.43	1.78
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	397.32	300.92
Other financial liabilities	17	4.96	5.38
Other current liabilities	18	46.35	21.61
Provisions	19	1.22	1.20
Total current liabilities		473.35	345.19
TOTAL EQUITY AND LIABILITIES		4438.14	3703.99
Significant Accounting Policies	1		
Explanatory Notes to Accounts	29		

For & on behalf of Board of Directors

Mr. Gopal Sanatra
Director
DIN 05233949

Mr. Vikram Khanna
Director
DIN 03634131

Mr. Subodh Kumar Singh
Manager - F & A

Mr. Vikas Saxena
COO

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

For A SHARMA & CO.
Chartered Accountants
FPA 002642M

(RNDU SHUKLA
PARTNER
M.NO. 511590



PLACE : NEW DELHI

DATED : 13/05/2024

UDIN: 24511590BKJRAQ8059

AIS ADHESIVES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024

(Rs. Lakhs)

Particulars	Note	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue			
Revenue from operations	20	3618.15	3319.84
Other income	21	150.65	129.45
Total revenue		3768.80	3449.29
Expenses			
Cost of materials consumed	22	2695.09	2354.43
Purchase of Stock in Trade	23	0.00	99.10
Changes in inventories of finished goods and Stock-in-Trade	24	-42.73	-12.36
Employee benefits expense	25	73.73	112.56
Finance costs	26	17.02	10.39
Depreciation and amortization expense	27	25.16	29.71
Other expenses	28	162.84	203.59
Total expenses		2931.11	2797.41
Profit before exceptional items and tax		837.69	651.88
Exceptional Items		0.00	0.00
Profit before tax		837.69	651.88
Tax expense			
Current Tax		214.43	176.73
Provision for Earlier Years		-5.10	0.00
Deferred tax Assets/(Liability)		-7.42	-3.08
Total tax expense		216.75	179.81
Profit for the year		620.94	472.07
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		-1.34	-3.75
-Deferred Tax on OCI		-0.34	-0.94
Other comprehensive income for the year, net of income tax		-1.00	-2.81
Total comprehensive income for the year		619.93	469.26
Earnings per equity share (Par value Rs 10/- each)			
Basic & Diluted - Rs in INR		28.29	21.51

Significant Accounting Policies
Explanatory Notes to Accounts

1
29

For & on behalf of Board of Directors

Mr. Gopal Ganatra
Director
DIN 05233949

Mr. Vikram Khanna
Director
DIN 03634131

Mr. Subodh Kumar Singh
Manager - F & A

Mr. Vikas Saxena
COO

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED
For A SHARMA & CO.
Chartered Accountants
FRN 002642N

(ANJU SHARMA)
PARTNER
M.NO. 511590

PLACE : NEW DELHI
DATED : 13/05/2024

UDIN: 24511590BKJRAQ8059



AIS ADHESIVES LIMITED
STATEMENT OF CASH FLOWS AS AT 31st March 2024

(Rs. Lakhs)

	Year ended 31st March 2024	Year ended 31st March 2023
A. Cash flows from operating activities		
Profit before tax	837.69	689.21
Adjustments for:		
Depreciation and amortisation	8.18	17.33
Amortisation on Right to Use Assets	16.98	12.38
Net actuarial gains/(losses) on defined benefit plans	-1.34	-3.75
Finance costs	1.96	2.91
Borrowing cost Right to use	15.06	7.48
Interest Income	150.65	-129.45
Loss on sale of property, plant and equipment (net)	0.00	5.90
Operating profit before working capital changes	1029.18	602.01
(Increase)/ decrease in trade receivables	142.65	34.53
(Increase)/ decrease in current loans	-561.78	206.63
(Increase)/ decrease in other non current financial assets	198.21	21.56
(Increase)/ decrease in other Current financial assets	2.15	4.44
(Increase)/ decrease in deferred tax assets (net)	7.08	2.14
(Increase)/ decrease in inventories	81.94	-191.06
(Increase)/ decrease in investment	0.75	3.10
(Increase)/ decrease in other current assets	30.20	-195.87
(Increase)/ decrease in current tax assets (net)	14.05	7.25
Increase/ (decrease) in trade payables	101.04	81.42
Increase/ (decrease) in other financial liabilities	-0.41	-0.35
Increase/ (decrease) in other financial liabilities for lease		
Increase/ (decrease) in other current liabilities	24.74	-30.34
Increase/ (decrease) in non current financial liabilities for lease		
Increase/ (decrease) in non-current provisions	2.07	-5.28
Increase/ (decrease) in current provisions	0.01	-0.36
Cash generated from / (used in) operations	1071.84	539.82
Income taxes (paid)	-216.41	-178.87
Net cash provided/ (used) by operating activities (A)	855.43	360.95
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-2.76	-56.27
Proceeds from sale of property, plant and equipment	0.00	21.87
Interest received during the year	-150.65	129.45
Net cash used by investing activities (B)	-153.41	95.05
C. Cash flows from financing activities		
Finance costs paid	-1.96	-2.91
Borrowing cost Right to use	-15.06	-7.48
Initial adjustment in Reserve against lease obligations	0.00	0.00
Proceeds from non-current borrowings	-14.61	-21.16
Issue of Share Capital	0.00	0.00
Dividend & Dividend Tax paid		0.00
Net cash generated from financing activities (C)	-31.63	-31.55
Net increase in cash and cash equivalents (A + B + C)	670.38	424.45
Cash and cash equivalents at the beginning of the year	1334.24	909.79
Cash and cash equivalents at the end of the year	2004.63	1334.24

[Handwritten signatures]



	As at 31st March 2024	As at 31st March 2023
Components of cash and cash equivalents:		
Cash in hand	10.30	0.00
Balances with banks:		
- in current accounts	41.63	172.15
- on deposit accounts (with original maturity of 12 months or less)	1952.70	1162.09
	2004.63	1334.24

Notes:

- The Statement of Cash Flows has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 on "Statement of Cash Flows"
- Figures in brackets represent outflows.
- Previous Year figures have been restated wherever necessary.

For & on behalf of Board of Directors

Mr. Gopal Ganatra
Director
DIN 05233949

Mr. Vikram Khanna
Director
DIN 03634131

Mr. Subodh Kumar Singh
Manager - F & A

Mr. Vikas Saxena
COO

PLACE : NEW DELHI
DATED : 13/05/2024

UDIN: 24511590BKJRAQ8059

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

For A SHARMA & CO.
Chartered Accountants
FRN 002642N

(ANJU SHUKLA)
PARTNER
M.NO. 511590



2a Property, plant & equipment

As at 31st March 2024

Particulars	Gross carrying value				Depreciation/amortisation and impairment				Net carrying value	
	As at	Additions	Deductions/ adjustments	As at	Upto	For	Deductions/ adjustments	Upto	As at	As at
	1 April 2023			31 March 2024	1 April 2023	the Period		31 March 2024	31 March 2024	31 March 2023
Plant & Equipment's	93.13	0.00	0.00	92.63	17.34	5.93	0.00	23.27	69.36	75.79
Furniture & Fixtures	12.05	0.00	0.00	12.55	1.63	1.10	0.00	2.72	9.82	10.42
Office Equipment's	16.49	0.64	0.00	17.13	14.38	0.54	0.00	14.93	2.20	2.10
Computers	0.65	2.12	0.00	2.77	0.42	0.31	0.00	0.73	2.04	0.23
Electrical Fittings	3.14	0.00	0.00	3.14	1.10	0.30	0.00	1.40	1.75	2.05
Total	125.45	2.76	0.00	128.21	34.87	8.18	0.00	43.05	85.16	90.59

As at 31 March 2023

Particulars	Gross carrying value				Depreciation/amortisation and impairment				Net carrying value	
	As at	Additions	Deductions/ adjustments	As at	Upto	For	Deductions/ adjustments	Upto	As at	As at
	1 April 2022			31 March 2023	1 April 2022	the year		31 March 2023	31 March 2023	31 March 2022
Plant & Equipment's	50.00	43.62	0.00	93.13	12.14	5.20	0.00	17.34	75.79	37.87
Furniture & Fixtures	4.40	7.15	0.00	12.05	1.12	0.51	0.00	1.63	10.42	3.28
Office Equipment's	15.54	0.94	0.00	16.49	13.23	1.16	0.00	14.38	2.10	2.31
Computers	0.65	0.00	0.00	0.65	0.21	0.21	0.00	0.42	0.23	0.44
Electrical Fittings	1.89	1.26	0.00	3.14	0.84	0.26	0.00	1.10	2.05	1.05
Total	72.48	52.97	0.00	125.45	27.53	7.34	0.00	34.87	90.59	44.96

Depreciation on Property, Plant & Equipments, prior to the current financial year 2023-24 was provided on the written down value (WDV) method over the estimated useful lives prescribed under Schedule II to the Companies Act, 2013. From FY 23-24, the Company has changed its method of accounting of depreciation in respect of its Property, Plant & Equipments from written down value (WDV) to straight line method (SLM) in view of making it in line with the method of valuation being followed by the holding company.

In line with Ind-AS, the depreciation has been recomputed as per the SLM from the date of the assets put to use. Due to this change in Accounting Policy and retrospective re-computation of depreciation, the excess depreciation charged till the beginning of the the FY 2023-24 (as on 01.04.2023) works out to Rs. 21.40 lacs and the same has been adjusted from the opening balance of Reserve and Surplus. Year wise breakup of the same is as under:

Financial Year	Depreciation as per WDV	Depreciation as per SLM	Difference Excess charged
2016-17	0.02	0.01	0.01
2017-18	8.36	3.32	5.04
2018-19	11.79	5.54	6.25
2019-20	9.43	5.94	3.49
2020-21	7.83	6.22	1.61
2021-22	6.34	6.51	-0.17
2022-24	12.49	7.34	5.15
Total	56.26	34.88	21.38



2b Intangible assets other than Goodwill
As at 31st March 2024

(Rs. Lakhs)

Particulars	Gross carrying value			As at 31 March 2024	Depreciation/amortisation and impairment				Net carrying value	
	As at 1 April 2023	Additions	Deductions/ adjustments		Upto 1 April 2023	For the year	Deductions/ adjustments	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer Software	0.06	0.00	0.00	0.06	0.06	0.00	0.00	0.06	0.00	0.00
Drawing	0.20	0.00	0.00	0.20	0.18	0.00	0.00	0.18	0.02	0.02
License and Franchisee	24.31	0.00	0.00	24.31	24.31	0.00	0.00	24.31	0.00	0.00
				0.00						
Total	24.57	0.00	0.00	24.57	24.55	0.00	0.00	24.55	0.02	0.02
Right to Use	147.76	1.40	0.00	149.16	32.50	16.98	0.00	49.48	99.68	115.26
Total	147.76	1.40	0.00	149.16	32.50	16.98	0.00	49.48	99.68	115.26
Grand Total	172.33	1.40	0.00	173.73	57.05	16.98	0.00	74.03	99.71	115.28

As at 31 March 2023

(Rs. Lakhs)

Particulars	Gross carrying value			As at 31 March 2023	Depreciation/amortisation and impairment				Net carrying value	
	As at 1 April 2022	Additions	Deductions/ adjustments		Upto 1 April 2022	For the year	Deductions/ adjustments	Upto 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer Software	0.06	0.00	0.00	0.06	0.06	0.00	0.00	0.06	0.00	0.00
Drawing	0.20	0.00	0.00	0.20	0.18	0.00	0.00	0.18	0.02	0.02
License and Franchisee	27.72	2.00	5.41	24.31	22.56	1.75	0.00	24.31	0.00	5.17
				0.00	0.00					
Total	27.98	2.00	5.41	24.57	22.80	1.75	0.00	24.55	0.02	5.19
Right to Use	160.37	104.88	117.49	147.76	96.02	12.38	75.90	32.50	115.26	64.35
Total	160.37	104.88	117.49	147.76	96.02	12.38	75.90	32.50	115.26	64.35
Grand Total	188.36	106.88	122.90	172.33	118.81	14.13	75.90	57.05	115.28	69.54



3 Other financial assets - Non-current

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with more than 12 months maturity*	2.00	2.00
Deposit with NBFC :		
-Fixed Deposits with Bajaj Finance Limited	0.00	200.00
Unsecured considered good:		
Security deposits	11.98	10.19
Total	13.98	212.19

*Fixed Deposit of Rs. 2.00 lacs (Previous Year Rs 2.00 lacs) are kept as margin for Bank Guarantee.

4 Deferred tax assets (net)

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets		
Deferred tax Assets	14.50	21.58
Total	14.50	21.58

(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

(b) Movement in deferred tax balances

(Rs. Lakhs)

Particulars	Net balance as on 1 April 2023	Recognised in profit or loss	Recognised in OCI	Net balance as on 31 Mar 2024
Deferred tax assets				
Unabsorbed depreciation/ carried forward losses under tax laws	15.44	-7.42	0.00	8.02
Expenses allowed for tax purpose on payment basis	6.14		0.34	6.48
Total	21.58	-7.42	0.34	14.50

As at 31 March 2023

Particulars	Net balance as on 1 April 2022	Recognised in profit or loss	Recognised in OCI	Net balance as on 31 March 2023
Deferred tax assets				
Unabsorbed depreciation/ carried forward losses under tax laws	18.52	-3.08	0.00	15.44
Expenses allowed for tax purpose on payment basis	5.20	0.00	0.94	6.14
Total	23.72	-3.08	0.94	21.58

5 Inventories

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials*	327.40	451.91
Finished goods	123.78	113.98
Work-in-progress	32.92	0.00
Scrap	0.09	0.24
Total	484.19	566.13

*Raw materials includes Material-in-transits Rs. 18.99 lacs (Previous Year Rs. Nil)

Raw Materials Major Items

Betaseal Drums	332.87	374.70
Aluminium Empty Tubes	39.99	78.48

Finished goods Major Items

Betaseal	44.37	41.10
Autoseal	50.97	26.37
Ultrasal	0.00	27.41

- (a) Raw Materials are valued at moving weighted average cost basis.
(b) Work in progress and Finished goods are valued at cost or net realisable value, whichever is lower.
(c) Scrap items are valued at net realisation value

Prior to the current financial year 2023-24, Raw material Cost was determined on a First in First out (FIFO) method basis.

With effect from FY 23-24, the Company has changed its method of determining the cost of raw material on Moving Weighted Average basis in view of making its valuation in line with the method of valuation being followed by the holding company.
In line with Ind-AS, the value of the Inventory has been re-computed using Moving Weighted Average cost Method. Due to this change in Accounting Policy, the value of inventory is lower by Rs.37.34 lakhs as on Apr 01, 2023 and the same has been adjusted in the the Retained Earning as on Apr 01, 2023. The detail of the same is as under :

INVENTORY :	FIFO Basis	Weighted Average basis	Difference.
As on 31.03.2023.	603.46	566.12	37.34

6 Investment

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in Equity Instruments	5.15	5.90
Under Par Sports Technologies Pvt. Limited		
- 90000 Equity Shares of Rs.10/- each		
Total	5.15	5.90

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7 Trade receivables

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	415.60	558.24
	415.60	558.24
Less: Allowance for bad & doubtful receivables	0.00	0.00
Total	415.60	558.24
Trade receivable includes from following related parties		
1. AIS Distribution Services Limited	182.91	321.36
2. Shield Auto glass Limited	93.64	133.60

As At 31st Mar, 2024	Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	348.96	56.61	0.13	0.00	0.00	0.00
Undisputed Trade Receivables – which have significant increase in credit risk						
Undisputed Trade Receivables – credit impaired						
Disputed Trade Receivables – considered good						
Disputed Trade Receivables – which have significant increase in credit risk						
Disputed Trade Receivables – credit impaired						

As At 31st March, 2023	Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	458.74	88.62	10.69	0.00	0.00	0.00
Undisputed Trade Receivables – which have significant increase in credit risk						
Undisputed Trade Receivables – credit impaired						
Disputed Trade Receivables – considered good						
Disputed Trade Receivables – which have significant increase in credit risk						
Disputed Trade Receivables – credit impaired						

8 Cash and cash equivalents

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
Current accounts *	41.63	172.15
Deposits with original maturity upto twelve months	1,952.70	1,162.09
Cash on hand	10.30	0.00
Total	2,004.63	1,334.24

* An amount of Rs. 3.76 Lakhs is in inoperative current account

Cash Credit (Hvco) Limit from YES Bank (including interest accrued and due)

Secured by exclusive charge on all current assets, movable fixed assets excluding vehicles of the Company
Sanctioned Limit Rs. Nil. (Previous Year 2.5 crore)

9 Loans - Current

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Security Deposits		
Unsecured, considered good		
- To related parties	0.00	0.00
- To others	0.00	1.96
Assets held for sale	0.25	0.00
National Saving Certificate	0.03	0.03
Unsecured Loan*	910.00	560.00
Deposit with NBFC :-		
Fixed Deposits with Bala Finance Limited	213.50	0.00
Total	1,123.78	561.99

*Unsecured Loans includes loans to following related parties

1. AIS Glass Solution Limited	350.00	500.00
2. GK Glass Sales and Services Limited	60.00	60.00
3. Shield Autoglass Limited	500.00	0.00

10 Other current financial assets

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Interest Receivable on Fixed Deposit with Bank	13.96	18.83
Accrued Interest	10.45	7.31
Gratuity Fund Receivable from PNB MetLife India Insurance Co. Ltd.	0.00	0.44
Total	24.43	26.58

11 Current tax Assets (Net)

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax	0.00	14.05
Total	0.00	14.05

12 Other current assets

(Rs. Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advances		
Loans and Advances considered good-Secured	0.00	0.00
Loans and Advances considered good-Unsecured		
-Against supply of goods and services	33.39	49.85
-Other Advances	24.77	31.99
-Income Tax	69.28	78.78
-Goods & Service Tax Receivable	0.02	24.81
-Prepaid expenses	1.01	1.15
Loans and Advances which have significant increase in Credit Risk (Not provided for)		
- Balance with Bank	0.72	0.72
- Other Advances	3.51	0.00
- Income Tax	34.30	9.92
Total	167.02	197.22



13 Equity Share capital

(Rs Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
25,00,000 Equity Shares of Rs. 10 each	250.00	250.00
	<u>250.00</u>	<u>250.00</u>
Issued, subscribed and fully paid up		
21,95,090 Equity Shares of Rs. 10 each fully paidup in cash	219.51	219.51

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Amount in Rs. Lacs	No. of Shares	Amount in Rs. Lacs
Fully Paid Equity Shares				
At the Beginning of the year	21,95,090	219.51	21,95,090	219.51
Add: Issued during the year	-	-	-	-
At the end of the year	21,95,090	219.51	21,95,090	219.51

(b) Terms and rights attached to equity shares:

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

(c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholders	As at 31.03.2024		As at 31.03.2023	
	No. of shares	%age holding	No. of shares	%age holding
ASAHI INDIA GLASS LTD.	2099790	95.66%	10,49,895	47.83%
MAP AUTO LTD.	-	0.00%	10,49,895	47.83%

(d) After transfer of equity shares held by MAP Auto Limited to Asahi India Glass Limited (AIS), AIS has become holding company.

(e) Details of Shareholding of promoter share holders :

Name of Shareholders	As at 31.03.2024		As at 31.03.2023	
	No. of shares	%age holding	No. of shares	%age holding
ASAHI INDIA GLASS LTD.	2099790	95.66%	10,49,895	47.83%
MAP AUTO LTD.	-	0.00%	10,49,895	47.83%

14 Other equity

(Rs Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
General reserve	63.22	63.22
Retained earnings	2,945.31	2,454.65
Profit for the year	620.94	493.47
Other Comprehensive Income	-1.00	-2.81
Total	3,628.46	3,008.53
	<u>2023-2024</u>	<u>2022-23</u>
(a) General reserve		
Opening balance	63.22	63.22
(b) Retained earnings		
Opening balance	2,945.31	2,454.65
Add / (Less): Net Profit / (Loss) after Tax transferred from statement of profit & loss	620.94	509.40
Add : Change in amount of depreciation due to change in accounting policy with respect to method of depreciation.	-	21.41
Less : Change in value of inventory due to change in accounting policy with respect to method of valuation of Raw Material.	0.00	-37.34
	3,566.25	2,948.12
Items of other comprehensive income recognised directly in retained earnings:		
- Net actuarial gains/(losses) on defined benefit plans, net of tax	3,566.25	2,948.12
Closing balance		
	-1.00	-2.81
(c) Other Comprehensive Income		
	<u>3,628.46</u>	<u>3,008.53</u>
Total		



ATIS ADHESIVES LIMITED
STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital (Refer Note-13)

For the Year ended 31 March 2024

Particulars	(Rs. Lakhs)				
	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity share capital	219.51	-	-	-	219.51

For the Year ended 31 March 2023

Particulars	(Rs. Lakhs)				
	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity share capital	219.51	-	-	-	219.51

(B) Other equity (Refer Note-13)

For the Year ended 31 March 2024

Particulars	Reserves & surplus							Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI	Money received against share warrants	Total
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Amalgamation reserve	General reserve	Other Reserves (specify nature)	Retained earnings								
Balance as at 1 April 2023					63.22		2972.23	0.00	0.00		-15.93		-5.53		2912.08
Profit for the year (a)							620.94		0.00				0.00		620.94
Other comprehensive income (b)									0.00				-1.00		-1.00
Total comprehensive income (a+b)					63.22		3593.17	0.00	0.00		-15.93		-6.54		3633.92
Ind AS 116 adjustments							-5.45								-5.45
Ind AS 116 adjustments															
Balance as at 31 March 2024					63.22		3587.71	0.00	0.00		-15.93		-6.54		3628.46

For the year ended 31 March 2023

Particulars	Reserves & surplus							Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI	Money received against share warrants	Total
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Amalgamation reserve	General reserve	Other Reserves (specify nature)	Retained earnings								
Balance as at 1 April 2022					63.22		2462.83	0.00	0.00				-2.73		2523.32
Profit for the year (a)							509.40						0.00		509.40
Other comprehensive income (b)											-15.93		-2.81		-18.74
Total comprehensive income (a+b)					63.22		2972.23	0.00	0.00		-15.93		-5.53		3013.98
Adjustment during the year							-5.45								-5.45
Ind AS 116 adjustments															
Balance as at 31 March 2023					63.22		2966.78	0.00	0.00		-15.93		-5.53		3008.53



15 Provisions - Non-current

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefit expenses		
Leave Encashment	4.14	4.42
Gratuity	15.78	13.43
Total	19.92	17.85

16 Trade payables - Current

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to other than micro, small and medium enterprises *	397.32	300.92
Dues to micro, small and medium enterprises	6.43	1.78
Total	403.75	302.70

* Including Rs. 2.48 lacs payable to Holding Company.

Trade Payables Ageing Schedule

As At 31st Mar, 2024	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) MSME	6.43	0.00	0.00	0.00	6.43
(ii) Others	397.32	0.00	0.00	0.00	397.32
(iii) Disputed dues - MSME					0.00
(iv) Disputed dues - Others					0.00

As At 31st March, 2023	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) MSME	1.78	0.00	0.00	0.00	1.78
(ii) Others	300.92	0.03	0.00	0.69	300.92
(iii) Disputed dues - MSME					0.00
(iv) Disputed dues - Others					0.00

17 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employee's Benefits Expenses Payables	4.96	5.38
Total	4.96	5.38

18 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory Payables		
Payable Towards TDS & TCS Under Income Tax	2.70	4.34
Advances from customers	0.00	0.00
Staff Payable	0.00	0.00
Others - Income Tax Payable *	26.47	0.00
Payable Towards Provident Fund, ESIC & LWF**	0.88	0.44
Other payables		
Expenses payable	11.95	12.52
Liabilities towards TDS related demands	2.98	4.31
Liabilities towards GST	1.37	
Total	46.35	21.61

* It includes TDS and TCS receivable for AY 2024-25 Rs. 17.96 lacs (Previous Year Rs 14.21 lacs)

**Including Rs.0.43 lacs towards LWF not paid due to non-registration

19 Provisions- Current

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee's benefits:		
- Leave encashment	0.22	0.24
- Gratuity	0.84	0.72
- Bonus	0.16	0.24
Total	1.22	1.20

by   



20 Revenue from operations

(Rs. Lakhs)

Particulars	For the year ended 31st March	For the year ended 31st March 2023
Sales of Finished Goods	3,611.84	3,122.81
Sales of other products	0.00	162.66
Filament Charges	0.00	28.60
Scrap Sales	6.30	5.77
	<u>3,618.15</u>	<u>3,319.84</u>
Other operating revenue		
Others	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Total	<u>3,618.15</u>	<u>3,319.84</u>
MAJOR ITEMS OF SALES		
Beta seal (FG)	2,365.85	2,155.67
Glass (Traded)	0.00	153.79
Autoseal	766.74	586.71

21 Other income

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income (Tax deducted at source Rs. 13.93 lacs, P.Y. Rs. 10.77 lacs)	147.03	114.50
Miscellaneous Income	<u>3.62</u>	<u>14.95</u>
Total	<u>150.65</u>	<u>129.45</u>

* Interest Income includes interest received from related party of Rs 45.34 lacs (Previous Year Rs. 61.53 lacs)








(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
22 COST OF MATERIALS CONSUMED		
Opening stock	452.15	310.79
Add: Purchases	2,570.43	2,495.80
	3,022.58	2,806.59
Less: Closing stock	327.49	484.75
Less: Change in value of inventory due to change in accounting policy with respect to method of valuation of Raw Material.	0.00	-32.60
Total	2,695.09	2,354.43
MAJOR ITEMS OF RAW MATERIAL PURCHASES		
-Beta seal Drum	1,424.49	1,143.59
-Aluminium Tubes	229.80	278.74
-Autoseal Tubes	582.79	469.78
23 PURCHASES OF STOCK IN TRADE	0.00	99.10
	0.00	99.10
MAJOR ITEMS OF PURCHASES		
-Glasses	0.00	97.82
24 Changes in inventories of finished goods, Stock-in-Trade		

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Inventory at the beginning of the year		
Finished goods	113.97	74.19
Stock-in-trade	0.00	27.43
Inventory at the close of the year	113.97	101.62
Finished goods	123.78	118.71
Work-in-progress	32.92	0.00
Less: Change in value of inventory due to change in accounting policy with respect to method of valuation.	0.00	-4.73
	156.70	113.98
Change	-42.73	-12.36
25 Employee benefits expenses		

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, wages, allowances and bonus	66.39	69.25
Manpower Salaries*	0.00	32.73
Leave Encashment	0.87	0.96
Gratuity	2.54	1.75
Contribution to provident and other funds	2.81	3.09
Staff welfare expenses	1.13	4.80
	73.73	112.56

* Amount paid to Shield Auto Glass Limited (Related Party)

(a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 29 (2)



26 Finance cost

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Finance charges on financial liabilities measured at amortised cost		
Foreign Exchange Fluctuation (net)	1.41	1.99
Interest on Delay payment to MSME Creditors	0.18	0.00
Borrowing cost Right to use	15.06	7.48
Bank Charges	0.37	0.92
	17.02	10.39

27 Depreciation and Amortization Expenses

Depreciation on Property, Plant & Equipment's (Refer Note 2a)	8.18	15.58
Amortisation on Intangible Assets (Refer Note 2b)	0.00	1.75
Amortisation on Right to Use assets (Refer Note 2b)	16.98	12.30
	25.16	29.71


28 Other expenses



(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Electricity Expenses	5.79	6.64
Pent	6.03	32.02
Filing Fees	0.63	0.33
Rates & Taxes	7.11	1.24
Insurance	0.40	0.83
Payment to auditors		
- as auditor	5.75	4.25
- for taxation matters	0.75	0.75
- for reimbursement of expenses	0.08	0.11
Legal & Professional Expenses*	35.65	35.01
Telephone & Communication	1.16	1.60
Sales & Marketing	0.38	3.82
Selling & Forwarding Expenses	49.15	41.74
Franchisee Fee**	0.00	6.32
Travelling & Conveyance	9.52	13.08
Repairs & Maintenance- Others	0.00	1.50
Repairs & Maintenance- Plant & Machinery	6.02	4.02
Miscellaneous Expenses	3.05	7.52
Printing & Stationary	0.95	1.20
Provision for TDS Related Demands	0.00	4.31
Bad Debts & Advances Written Off	1.80	1.44
Vehicle Running Expenses	0.00	0.24
Fines & Penalties	0.06	0.03
Brokerage & Commission	0.00	1.19
Loss on sale of Fixed Assets (net)	0.00	5.90
Office Maintenance	15.40	13.63
Contribution Towards CSR	12.50	10.50
Prior-Period Expenses	0.25	0.00
Rebate & Discount	0.00	0.01
Reelections	0.40	2.74
	162.84	203.59

* Includes Rs. 33 lacs paid to Related Party.

** Refer the Note no. 29(4)





Note 29: Explanatory Notes to Accounts

1 Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current tax expense		
Current year	214.43	176.73
Adjustment for earlier years	-5.10	0.00
	209.33	176.73
Deferred tax expense		
Origination and reversal of temporary differences	7.42	3.08
Reduction in tax rate		
Total	216.75	179.81

ii) Income tax recognised in other comprehensive income

(Rs. Lakhs)

Particulars	For the year ended 31st March 2024			For the year ended 31st March 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	-1.34	0.34	-1.00	-3.75	0.94	-2.81
Total	-1.34	0.34	-1.00	-3.75	0.94	-2.81

2 Ind AS 116 'Leases'

AS 116 "Leases" applied to lease contracts existing on 1st April 2021 other than short-term leases using the modified retrospective method and has taken cumulative adjustment to retained earnings, net of taxes of Rs.5.45 lacs on the date of initial application.

During the year Standard resulted in recognition of following assets/liabilities.

Particulars	Recognised as on 01.04.2023	Provided During year ended 31.03.2024 (net)	Recognised as on 31.03.2024
RIGHT TO USE	147.76	1.40	149.16
LIABILITY FOR LEASED ASSETS (CURRENT AND NON-CURRENT)	127.20	-13.22	113.98
ACCUMULATED DEPRECIATION ON RIGHT TO USE	32.50	16.98	49.48
RENT PAID	0.00	6.03	6.03
OTHER INCOME	0.00	0.00	0.00
BORROWING COST RECOGNISED	0.00	15.06	15.06
DEPRECIATION ON RIGHTS TO USE	0.00	16.98	16.98

Figures in brackets indicates credit balances in the books of accounts

The company has not applied IND AS 116 leases to short term leases as mentioned below by virtue of exemption provided in IND AS
Total Number of Short term leases - 1 Nos.

Total Rental expense recognise Rs. 6.03 Lacs

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3 Disclosure as per Ind AS 19 'Employee benefits'

(a) Defined contribution plans:

The Company pays fixed contribution to below funds at predetermined rates to appropriate authorities:

i. Provident fund

An amount of Rs.2,70 lacs (Previous Year Rs.2.41 lacs) for the year ending on 31 March 2024 is recognised as an expense on this account and charged to the Statement of Profit and Loss.

ii. Employee state insurance and labour fund

An amount of Rs. 0.11 lacs (Previous Year Rs.0.19 lacs) for the year ending on 31 March 2024 is recognised as an expense on this account and charged to the Statement of Profit and Loss.

(b) Defined benefit plans:

i. Gratuity

a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service. The Company has carried out actuarial valuation of gratuity benefit.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	(Rs. Lakhs)	
	31 March 2024	31 March 2023
Net defined benefit (asset)/liability:		
Gratuity	16.62	14.15
	16.62	14.15
Non-current	15.78	13.43
Current	0.84	0.72

Movement in net defined benefit (asset)/liability

Particulars	(Rs. Lakhs)	
	Defined benefit obligation	
	31 March 2024	31 March 2023
Opening balance	14.16	17.29
Included in profit or loss:		
Current service cost	1.04	0.95
Past service cost		
Interest cost (income)	1.06	1.25
Total amount recognised in profit or loss	2.10	2.20
Included in OCI:		
Remeasurement loss (gain):	0.36	0.32
Other		
Benefits paid	0.00	5.65
Closing balance	16.62	14.16

Defined benefit obligations

a. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	31 March 2024	31 March 2023
Discount rate	7.25% Per Annum	7.50% Per Annum
Withdrawal Rate	5% Per Annum	5% Per Annum
Salary escalation rate	8% Per Annum	8% Per Annum

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

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b. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	15.52	17.86	13.17	15.28
Withdrawal Rate (1.00% movement)	16.56	16.68	14.12	14.20
Salary escalation rate (1.00% movement)	17.84	15.52	15.27	13.16

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

b) Life expectancy

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Estimate of expected benefit payment in future years

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
31 March 2024								
Gratuity		0.84	2.65	0.35	0.35	1.32	11.11	16.62
Total	0.00	0.84	2.65	0.35	0.35	1.32	11.11	16.62
31 March 2023								
Gratuity	0.72	0.38	2.10	0.28	0.28	10.41		14.16
Total	0.72	0.38	2.10	0.28	0.28	10.41		14.16

ii. Leave encashment

The company has amended its plan for leave encashment which is now treated as a retirement benefit plan and has been worked out by an independent actuary.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the leave encashment plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	(Rs. Lakhs)	
	31 March 2024	31 March 2023
Net defined benefit (asset)/liability :		
Leave Encashment	4.36	4.66
Non-current	4.14	4.42
Current	0.22	0.24

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Movement in net defined benefit (asset)/liability

(Rs. Lakhs)

Particulars	Defined benefit obligation	
	31 March 2024	31 March 2023
Opening balance	4.66	7.07
Included in profit or loss:		
Current service cost	0.42	0.45
Interest cost (income)	0.35	0.51
Total amount recognised in profit or loss	0.77	0.96
Included in OCI:		
Remeasurement loss (gain):	0.23	-0.05
Total amount recognised in other comprehensive income	0.23	-0.05
Other		
Contributions paid by the employer		0.00
Benefits paid	1.29	3.32
Closing balance	4.36	4.66

Defined benefit obligations

a. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	31 March 2024	31 March 2023
Discount rate	7.25% Per Annum	7.50% Per Annum
Withdrawal Rate	5% Per Annum	5% Per Annum
Salary escalation rate	8% Per Annum	8% Per Annum

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as

b. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the

	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	4.04	4.74	4.31	5.07
Withdrawal Rate (1.00% movement)	4.35	4.38	4.65	4.68
Salary escalation rate (1.00% movement)	4.73	4.04	5.06	4.31

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

b) Life expectancy

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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4 Disclosure as per Ind AS 24 'Related Party Disclosures'

(a) List of Related parties:

i) Enterprises owned or significantly influenced by KMPs or their relative:

1. Asahi India Glass Limited (holding company w.e.f. 1st Feb'2024)
2. AIS Glass Solutions Limited
3. Shield Autoglass Ltd.
4. AIS Distribution Services Limited
5. MAP Auto Ltd
6. GX Glass Sales & Services Limited
7. Under Par Sports Technologies Pvt. Limited

iii) Key Managerial Personnel (KMP):

Mr. Gopal Ganatra	Director
Mr. Vikram Khanna	Director
Mr Rupinder Shelly	Additional Director (appointed w.e.f 27.02.2024)
Mr Pawan Kumar	Director (ceased to be director w.e.f 27.02.2024)

(b) Transactions with the related parties are as follows:

(Rs. Lakhs)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel	
	2023-24	2022-23
1. Expenses		
- Purchase of Glass and Other Products (Stock-in-Trade)		
AIS Distribution Services Limited	0.00	57.60
Shield Autoglass Ltd.	0.00	25.38
- Purchase of Glass and Other Products (Raw Materials)		
Asahi India Glass Limited	2.10	0.00
AIS Glass Solutions Limited	56.89	0.00
AIS Distribution Services Limited	4.59	0.00
- Franchisee fee		
Shield Autoglass Ltd.	0.00	6.32
- Rent		
Asahi India Glass Limited	0.13	0.00
2. Income		
- Material Sold		
AIS Distribution Services Limited	2,089.71	1,725.63
Shield Autoglass Ltd.	173.13	167.39
AIS Glass Solutions Limited	14.93	0.00
- Fitment Jobs		
Shield Autoglass Ltd.	0.00	159.10
- Interest Received		
AIS Glass Solutions Limited	26.18	55.68
GX Glass Sales & Services Limited	5.87	5.85
Shield Autoglass Ltd.	13.29	0.00
3. Shared Expenses		
Shield Autoglass Ltd.	0.00	52.24
AIS Distribution Services Limited	35.86	27.79
4. Loans/Advances Given		
AIS Glass Solutions Limited	350.00	0.00
GX Glass Sales & Services Limited	0.00	0.00
Shield Auto Glass Ltd.	500.00	0.00
5. Loan received back		
Shield Auto Glass Ltd.	0.00	0.00
AIS Glass Solutions Limited	500.00	200.00
6. Investment in Equity Shares		
Under Par Technologies Limited	0.00	0.00



(c) Outstanding balances with related parties are as follows:

		(Rs. Lakhs)	
Particulars		31 March 2024	31 March 2023
Amount recoverable other than loans (As Debtors)			
Shield Auto Glass Ltd.		93.64	133.60
AIS Distribution Services Limited		182.91	321.36
AIS Glass Solutions Limited		0.00	0.00
Amount receivable towards loans and advances			
AIS Glass Solutions Limited		350.00	500.00
GX Glass Sales & Services Limited		60.00	60.00
Shield Auto Glass Ltd.		500.00	0.00
Amount payable.			
Asahi India Glass Limited (towards purchase)		2.48	0.00
Asahi India Glass Limited (rent payable)		0.13	0.00
Liability Towards Capital Commitment			
Under Par Sports Technologies Pvt. Limited		9.00	9.00
Short term Loans and advances			
Under Par Sports Technologies Pvt. Limited		1.67	1.67

(d) Terms and conditions of transactions with the related parties

(i) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(ii) Related party relationship is as identified by the Company on the basis of available information and legal opinion obtained by the Company and accepted by the Auditors as correct.

(e) The Company has entered into an arrangement with other group companies which are also operating fitment / replace and repair centres under the franchise of Shield Auto Glass Limited for sharing of expenses for pooling of certain resources. Actual costs are shared on an agreed ratio. During the year expenses of Rs. Nil- (P.Y. Rs. 52.34 lacs) have been shared.

Signature of the Company Representative



5 Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share

	31 March 2024	31 March 2023
Basic and diluted earnings per share	28.29	21.51
Nominal value per share	10.00	10.00

(a) Profit attributable to equity shareholders (used as numerator)

	(Rs. Lakhs)	
	31 March 2024	31 March 2023
Profit attributable to equity shareholders	620.94	472.07

(b) Weighted average number of equity shares (used as denominator)

	Value in No's	
	31 March 2024	31 March 2023
Opening balance of issued equity shares	21,95,090	21,95,090
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares outstanding at the end of the year for calculation of Basic and Diluted EPS	21,95,090	21,95,090

6 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'
Contingent liabilities and commitments

	(Rs. Lakhs)	
Particulars	31 March 2024	31 March 2023
(a) Contingent liabilities		
Surety Bond	Nil	Nil
Income Tax(TDS)	Nil	Nil
Income Tax(Demand including interest of Rs.2.03 lacs)*	13.28	11.93
*Contingent Liabilities related to AY 2021-22 raised u/s 143(1A) has been contested by the companies before CPC and an application for rectification of mistake is also filed with jurisdictional assessing officer.		

(b) Guarantees

I) Bank Guarantees in sales tax department	2.00	2.00
Bank Guarantees of Rs. 2 Lacs taken from HDFC Bank Limited		

REFERENCE	BENEFICIARY	ISSUE DATE	AMOUNT OF GUARANTEE IN Rs. LACS	MATURITY DATE
003GT01083000486	NOTIFIED AUTHORITY OF CST*	06-12-2007	0.50	11-06-2012
003GT01083000487	DESIGNATED OFFICER OF PUNJAB VAT*	06-12-2007	0.50	11-06-2012
003GT02083000719	EXCISE. TAXATION OFFICER CUM DESIG	27-03-2011	0.50	26-03-2016
003GT02083000720	EXCISE. TAXATION OFFICER	27-03-2011	0.50	26-03-2016

Rs. 2.00 lacs (Previous Year Rs. 2.00 lacs) has been deposited against the above Bank guarantees

Commitments

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

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7 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency/commodity swaps are entered into by the Company to hedge certain foreign currency and commodity exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

Credit risk arises from the possibility that the counterparty may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(Rs Lakhs)	
	31 March 2024	31 March 2023
Non-current loans	-	-
Other non-current financial assets	13.98	212.19
Trade receivables	415.60	558.24
Cash and cash equivalents	2,004.63	1,334.24
	2,434.21	2,104.67

(b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs Lakhs)	
	31 March 2024	31 March 2023
Fixed-rate borrowings		
Bank overdraft	-	-
Rupee term loans	-	-
Foreign currency loans	-	-
Floating-rate borrowings		
Bank overdraft	-	-
Rupee term loans	-	-
Foreign currency loans	-	-
Total	-	-



8 Information in respect of micro and small enterprises as at 31st March 2024 as required by Micro, Small and Medium Enterprises Development Act, 2006

(Rs. Lakhs)

Particulars	31 March 2024	31 March 2023
a) Amount remaining unpaid to any supplier:		
Principal amount	6.24	1.78
Interest due thereon	0.18	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-








9 Segment Reporting

The company is a single segment company and therefore, there is nothing to report under Segment Reporting.

10 Details of foreign exchange transactions:

a) Value of imports calculated on CIF basis:

- i). Raw Material: Rs. 368.75 lacs (Previous year Rs. 386.09 lacs)
- ii). Capital goods: Rs. Nil (Previous year Rs. Nil/-)

b) Earnings in foreign exchange on FOB basis:

- i). Export of goods/services Nil (Previous year Nil)
- ii). Other Income Nil (Previous year Nil)

11 Amounts in the financial statement are presented in Lakhs (up to two decimal) except for per share data & otherwise stated. Certain amounts which do not appear due to rounding of are disclosed separately. Figures relating to the previous year has been regrouped/reclassified wherever considered necessary to make them comparable with the current year period

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Note 12: Additional Regulatory Information

- i The company does not have any immovable property and therefore information on title deeds held in the name of the company is not required
- ii Since the company does not have any immovable property information of fair value of Investment Property is not required
- iii The Company has not revalued its Property/Plant/Equipment including Right to use Assets during the year.
- iv The company has not revalued its Intangible Assets during the year
- v Loans or Advances in the nature of loans are granted to the related parties (as defined under the Companies Act 2013), that are repayable on demand or without specifying and terms or period of repayment loan provided to AIS Glass Solutions Ltd of Rs. 350 Lakhs (previous year Rs 500 Lakhs), GX Glass Sales and Services Limited Rs 60 Lakhs(previous year Rs 60 Lakhs) and Shield Autoglass Limited of Rs. 500 Lakhs (previous year Rs NIL).
- vi There is no capital work in progress as on the reporting date
- vii The company has no Intangible Asset under development as on the reporting date.
- viii The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- ix The company has surrendered the CC Limit with Yes Bank and there is no requirement to provide the Quarterly submission of stock statement
- x The Company has not been declared wilful defaulter by any Bank/Financial Institution/other lender.
- xi The Company does not have any transaction with companies struck off under Section 248 of Companies Act, 2013/ Section 560 of Companies Act 1956.
- xii There are no charges/ satisfaction yet to be registered with the Registrar of Companies beyond the statutory period.
- xiii The Company does not have any layers of companies as prescribed under Clause (87) of Section 2 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017.
- xiv A composite scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act 2013 between the Company (Transferor) and M/S AIS Glass Solutions Limited (Transferee company) has been approved by the Board of Directors of the company in its meeting held on 29th February 2024 and filed with the NCLT on 26-03-2024.
- xv a) The Company has not advanced/loaned/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 understanding (whether recorded in writing or otherwise) that the intermediary shall
 - i. Directly or indirectly lend or invest in other persons or entities identified in any other matter whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii. Provide any guarantee or security or the like to or on behalf of the Ultimate Beneficiaries.
 b) 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
 - i. Directly or indirectly lend or invest in other persons or entities identified in any matter whatsoever by or on behalf of Funding Party (Ultimate Beneficiaries) or
 - ii. Provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.
- xvi The Company has not used the borrowings from Banks and Financial Institutions for the specific purposes, for which it was taken at the Balance Sheet date.
- xvii The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year, in the tax assessments under the Income Tax Act, 1961.
- xviii The provisions of section 135 relating to Corporate Social Responsibilities are applicable to the company for the year ended 31 March 2024.

(Rs Lakhs)

Particulars	31 March 2024	31 March 2023
(a) Amount required to be spent by the Company during the year	12.50	10.36
(b) Amount of Expenditure incurred	12.50	10.50
(c) Shortfall at the end of year	0	0
(d) Total of previous years shortfall	0	0
(e) Reason for shortfall	-	-
(f) Nature of CSR activities	Enterprises development and adult literacy.	Disaster Management, Education & Vocational Training, Old Age Homes, Women Empowerment, Healthcare.

- xix The company has not traded or invested in Crypto currency or Virtual currency during the financial year.



xx Ratios

The following are analytical ratios for the half year ended March 31, 2024 and March 31, 2023 :

Sr. No.	Ratios	FY 2024	FY 2023	Variation%	Reasons for variation for more than 25%
1	Current ratio (in times) (Current assets / Current liabilities)	8.93	9.46	-6%	
2	Debt equity ratio (in times) [(Long term borrowing + short term borrowing) / Net worth]	0.00	0.00	0%	
3	Debt service coverage ratio (in times) [Net Profit after taxes+depreciation+interest+ exceptional items + amortization) / (Interest + current maturities]	0.00	0.00	0%	The company has no Debts so it is not applicable
4	Return on Equity Ratio (%) ((Net profit after taxes-preference dividend)/Net Worth)	17.11%	15.69%	9%	
5	Inventory turnover (in times) (Cost of goods sold / Average inventories)	5.05	4.99	1%	
6	Trade Receivables turnover (in times) (Revenue from contract with customers / Average trade receivables)	7.43	5.77	29%	The ratio has improved significantly due to the change in the credit term of receivable,
7	Trade Payables turnover (in times) *(Net Credit Purchases / Average trade payables)	7.28	9.74	-25%	

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8	Net Capital Turnover Ratio (in times) (Revenue/Capital Employed)	1.00	1.10	-10%	
9	Net profit ratio (%) (Profit / (loss) for the period from continuing and discontinued operations / Revenue from operations)	17.16%	14.22%	21%	
10	Return on Capital Employed (%) (Earnings before interest and Taxes/ Capital Employed (total equity + total debt - CWIP))	23.56%	22.01%	7%	
11	Return on Investment (%) (Total profit earned/Total investment)	336%	229%	46%	The ratio has improved significantly due to lower investment during the year

ROI = (Gross Return - Cost of Investment)/Cost of Investment

For & on behalf of Board of Directors



Mr. Gopal Ganatra
Director
DIN 05233949


Mr. Subodh Kumar Singh
Manager - F & A


Mr Vikas Saxena
COO


Mr. Vikram Khanna
Director
DIN 03634131

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED
For A SHARMA & CO.
Chartered Accountants
FRN 002642N


(ANJU SHUKLA)
PARTNER
M.NO. 511590



PLACE : NEW DELHI
DATED : 13/05/2024
UDIN: 24511590BKJRAQ8059

AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

1.1 Corporate information :

AIS Adhesives Limited ("AIA" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at A-2/10, 1st Floor, WHS DDA Marble Market, Kirti Nagar, Mansarovar Garden, New Delhi -110015 . The Company is primarily engaged in the repackaging and Marketing of adhesives all over India.

1.2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

The company had prepared its financial statements in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These financial statements for the year ended 31 March 2024 are the financial statements, which have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015.

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The financial statements are presented in Indian Rupees ("INR").

1.3 Summary of material accounting policies

(a) Current versus non-current classification

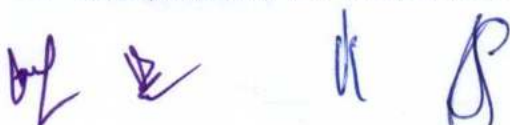
The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

(b) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

(c) Property, plant and equipment

Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of tangible asset are added to its book value only if the recognition criteria is satisfied.

An item of property, plant and equipment and any significant part initially recognized shall be derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) shall be included in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets prior to the current financial year 2023-24 was provided on the written down value (WDV) method over the estimated useful lives prescribed under Schedule II to the Companies Act, 2013.

With effect from FY 23-24, the Company has changed its method of accounting of depreciation in respect of its Fixed Assets from written down value (WDV) to straight line method (SLM) in view of making it in line with the method of accounting of depreciation being followed by the holding company.

For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment shall be reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

intangibles, excluding capitalized development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets. The useful lives are as follows:

<u>Assets</u>	<u>Useful Life</u>
Trade Mark & Software	5 years
Franchise Fee	5 years
Design & Drawings	5 years

Intangible assets with indefinite useful lives shall not be amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life shall be reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite shall be made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed off.

(e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no





AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.




After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL 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 (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit or loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

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AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Material : cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and valued at moving weighted average cost basis.

Packing materials, Stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Prior to the current financial year 2023-24, Cost was determined on a First in First out (FIFO) basis..

With effect from FY 23-24, the Company has changed its method of determining the cost of raw material on Moving Weighted Average basis in view of making its valuation in line with the method of valuation being followed by the holding company.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Leases

The Company adopted Ind AS 116 "Leases" to lease contracts existing on 1st April 2019 other than short term leases using the modified retrospective method. In accordance with Ind AS-116, for all leases with a term of more than twelve months, the Company recognizes a "right of use" assets at cost representing its right to use the underlying leased asset and a lease liability representing its obligation to make future lease payments. The right of use assets are depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right to use asset, in accordance with Ind AS 38 "Intangible Assets" Interest expense is accounted for on the outstanding lease liability using the incremental borrowing rate.

The lease payments associated with short term leases of twelve months or less are recognized as an expense on straight line basis over the lease term.

The determination of whether an arrangement is or contains, a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as Finance Lease. Finance leases are capitalized at the commencement of the lease at the date of transaction at fair value of the leased property. Lease payments are apportioned between finance charges and reduction of the lease liability on IRR method. Finance charges are recognized in finance costs in the statement of profit or loss unless they are directly attributable to the qualifying assets in which case they are capitalized in accordance with accounting policy on borrowing cost. A leased asset is depreciated over its useful life

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with lessor, are recognized as operating lease. Lease payments under operating lease are recognized as expense in statement of profit and loss.



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

(k) Provisions and Contingent Liabilities

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of the outflow is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

(l) Revenue recognition

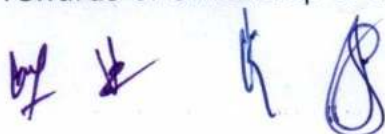
Revenue from Contracts

The company has adopted Ind AS 115 "*Revenue from Contracts with Customers*", which was notified under the Companies (Indian Accounting Standards) Rule, 2015 (as Amended) and made applicable from 01.04.2018. The revenue has been recognized in accordance with the following five step model:

- i. Identify contract with customer
- ii. Identify performance obligation in contract
- iii. Determine transaction price
- iv. Allocate the transaction price to the performance obligations in the contract
- v. Recognize revenue when the company satisfies performance obligation

Sale of products

Revenue from the sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Service income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement. During the current financial year 2023-24, there is no service income of the company as it has already closed its service centers during FY 2022-23.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

(m) Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related services are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long term employee benefit obligations

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The contributions to provident fund are charged to the statement of profit and loss on an accrual basis.

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AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

Gratuity

Retirement benefit in the form of superannuation fund is a defined Group Gratuity contribution scheme with PNB MetLife India Insurance Co. Ltd. The Company has established a Superannuation Fund Trust to which contributions are made monthly. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the company contributes to the Group Gratuity Scheme.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Accumulated Leaves

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

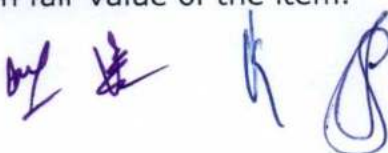
(n) Foreign Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The company's financial statements are presented in INR, the functional currency of the company.

Foreign currency transactions are initially recognized in the functional currency, using the exchange rate prevailing at the date of transaction.

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the dates of transactions. Non-monetary items measured at fair value in the foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized as income or expense in the period in which they arise. Exchange differences on gain or loss arising on translation of non-monetary items measured in fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item.



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

The premium or discount arising at the inception of the forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

(o) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

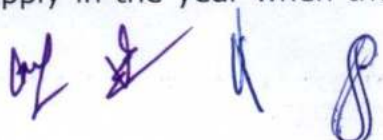
Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added taxes paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of sales/ value added taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(p) Cash dividend to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the company's financial performance.



AIS ADHESIVES LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2024

(s) Use of judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the financial statements are explained in relevant notes in the financial statements.

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