



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

3, Shanti Kunj, 17, Prarthana Samaj Road, Vile Parle (East), Mumbai - 400 057.

Off. # 2618 5110

# 2618 5137

Fax # 2618 4912

shailesh.manek@gmail.com

www.camaneek.com

## SHAILESH MANEK

B.Com.(Hons), Grad. C.W.A., F.C.A.

## MITTUL B. DALAL

B.Com. A.C.A.

### Independent Auditor's Report

To,  
The Members,  
**Macrotech Polychem Private Limited**

Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **M/s. Macrotech Polychem Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 the significant 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, 2021, the profit and 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

# MANEK & ASSOCIATES

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

# MANEK & ASSOCIATES

## **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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# MANEK & ASSOCIATES

## Report on Other Legal and Regulatory Requirements

1. 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 Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31st, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2021 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid or provided by the Company to its directors during the year, and.
  - 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 Standalone Financial Statements- Refer Note 34 to the Standalone Financial Statements.
  - (ii) The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**

**Firm's registration number: 0126679W**



*SL Manek*  
**(SHAILESH MANEK)**

**Partner**

**Membership number.034925**

**UDIN: 21034925AAAAFQ9021**

**Mumbai**

**Dated: June 1<sup>st</sup>, 2021**



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## MITTUL B. DALAL

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### **Annexure - A to the Auditors' Report.**

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

We have audited the internal financial controls over financial reporting of **M/s. Macrotech Polychem Private Limited** ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

# MANEK & ASSOCIATES

judgment, 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.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MANEK & ASSOCIATES  
Chartered Accountants**

**Firm's registration number: 0126679W**



*SLD Maneb*  
(SHAILESH MANEK)

**Partner**

**Membership number.034925**

**UDIN: 21034925AAAAFQ9021**

**Mumbai**

**Dated: June 1<sup>st</sup>, 2021**



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## SHAILESH MANEK

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## MITTUL B. DALAL

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### Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over three years. In accordance with this programme, certain fixed assets were verified during the year and the material discrepancies which were noticed have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The company does not maintain inventories and therefore provisions of clause 3 (ii) of the order are not applicable to the Company.
- (iii) The company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the provisions of clause 3(iii),(iii)(a), (iii)(b) and (iii)(c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security in respect of loans to any party covered under section 185 and 186 of the Companies Act, 2013 and therefore, the provisions of clause 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the manufacturing activities carried on by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable.

# MANEK & ASSOCIATES

(vii) (a) According to the information and explanations given to us and on the basis of the books and records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, goods and service tax, custom duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, duty of customs, goods and service tax, cess and other material statutory dues were in arrears as at 31 March, 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no material dues of income tax, customs duty, goods and service tax and cess which have not been deposited on account of any dispute except under Income Tax as per details given below:

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where the dispute is pending.
Income Tax	Income tax section 143(3) r.w.s 147	10,06,840/-	AY 10-11	CIT (Appeals)

(viii) In our opinion and according to the information and explanations given to us, the Company has not borrowed any money from a financial institution, bank or debenture holders and therefore, the provision of clause 3 (viii) of the Order is not applicable.

(ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans and therefore, the provisions of clause 3 (ix) of the Order is not applicable.

(x) According to information and explanations given to us there were no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.

(xi) According to the information and explanations given to us, the provisions of Section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3 (xi) are not applicable and hence not commented upon..

# MANEK & ASSOCIATES

- (xii) In our opinion, the company is not a chit fund or a nidhi Company and therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- (xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the IndAs financial statements, as required under the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- (xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number: 0126679W**



**Mumbai**  
**Dated: June 1<sup>st</sup> , 2021**

  
**(SHAILESH MANEK)**  
**Partner**  
**Membership number.034925**  
**UDIN: 21034925AAAAFQ9021**

**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Financial statements for the year ended March 31, 2021**  
(All amounts are in ₹ unless stated otherwise)

**Balance Sheet**

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	2,13,39,312	2,00,97,066
(b) Capital work-in-progress	3	11,70,34,429	-
(c) Financial assets			
(i) Others	4	5,63,824	-
(c) Other non-current assets	5	1,53,06,391	18,83,500
<b>Total non-current assets</b>		<b>15,42,43,956</b>	<b>2,19,80,566</b>
<b>(2) Current assets</b>			
(a) Inventories		-	-
(b) Financial assets			
(i) Cash and cash equivalents	6	7,12,859	7,24,540
(ii) Bank balances other than above	7	1,14,888	1,07,923
(iii) Others	8	38,51,731	10,80,084
(c) Other current assets	9	1,03,32,523	15,85,639
<b>Total current assets</b>		<b>1,50,12,001</b>	<b>34,98,186</b>
<b>TOTAL ASSETS</b>		<b>16,92,55,957</b>	<b>2,54,78,752</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	10	30,01,900	30,01,900
(b) Other equity			
(i) Reserves and surplus	11	(1,77,23,769)	(3,70,07,179)
<b>TOTAL EQUITY</b>		<b>(1,47,21,869)</b>	<b>(3,40,05,279)</b>
<b>(2) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	15,37,22,412	3,53,11,517
(b) Provisions	13	2,80,708	1,04,146
(c) Deferred tax liabilities	14	6,716	2,14,164
<b>Total non-current liabilities</b>		<b>15,40,09,836</b>	<b>3,56,29,827</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	15	2,99,46,134	2,38,45,561
(b) Provisions	13	21,856	8,643
<b>Total current liabilities</b>		<b>2,99,67,990</b>	<b>2,38,54,204</b>
<b>TOTAL LIABILITIES</b>		<b>18,39,77,826</b>	<b>5,94,84,031</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,92,55,957</b>	<b>2,54,78,752</b>

(The accompanying notes 1 to 37 are an integral part of the financial statements)

As per our report of even date attached

For Manek & Associates  
Chartered Accountants  
Firm Registration Number: 126679W

Shailesh Manek  
Partner  
Membership Number: 034925

Place: Mumbai  
Date: 1st June 2021



For and on behalf of the Board of Directors

Rahul Nachane  
Director  
DIN: 00223346

Place: Mumbai  
Date: 1st June 2021

Rajesh Lawande  
Director  
DIN: 00327301

**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Financial statements for the year ended March 31, 2021**  
(All amounts are in ₹ unless stated otherwise)

**Statement of Profit and Loss**

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	16	5,72,33,399	98,68,046
Other income	17	68,191	-
<b>Total income</b>		<b>5,73,01,590</b>	<b>98,68,046</b>
<b>Expenses</b>			
Cost of materials consumed	18	28,47,210	18,34,791
Employee benefits expense	19	85,78,638	22,96,105
Other expenses	20	1,51,88,564	1,72,08,608
Finance Cost	21	27,46,779	28,73,256
Depreciation expense	3	52,26,051	44,95,217
<b>Total expenses</b>		<b>3,45,87,242</b>	<b>2,87,07,977</b>
<b>Profit/(Loss) before tax from continuing operations</b>		<b>2,27,14,348</b>	<b>(1,88,39,931)</b>
Current tax	32	(31,00,000)	-
Less: MAT Credit			-
Current tax expense relating to prior years		(5,37,787)	-
Deferred tax		2,07,292	1,25,297
<b>Income tax expense</b>		<b>(34,30,495)</b>	<b>1,25,297</b>
<b>Profit/(Loss) for the year from continuing operations</b>		<b>1,92,83,853</b>	<b>(1,87,14,634)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Profit/(Loss) on actuarial valuation of post employment benefits		(599)	-
Add/(Less): Income tax expense		156	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(443)</b>	<b>-</b>
<b>Total comprehensive income/(Loss) for the year</b>		<b>1,92,83,410</b>	<b>(1,87,14,634)</b>
<b>Earnings per equity share (for continuing operations)</b>			
Basic		64.24	(62.34)
Diluted		64.24	(62.34)

(The accompanying notes 1 to 37 are an integral part of the financial statements)

As per our report of even date attached

**For Manek & Associates**  
Chartered Accountants  
Firm Registration Number: 126679W

**Shailesh Manek**  
Partner  
Membership Number: 034925

Place: Mumbai  
Date: 1st June 2021



**For and on behalf of the Board of Directors**

**Rahul Nachane**  
Director  
DIN: 00223346

Place: Mumbai  
Date: 1st June 2021

**Rajesh Lawande**  
Director  
DIN: 00327301

**MACROTECH POLYCHEM PRIVATE LIMITED**  
Financial Statements  
(All amounts are in ₹ unless stated otherwise)

**Statement of Changes in Equity for the year ended March 31, 2021**

**A. Equity share capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Value	Number of shares	Value
Balance at beginning of year	3,00,190	30,01,900	3,00,190	30,01,900
Issue of share capital	-	-	-	-
Balance at end of year	3,00,190	30,01,900	3,00,190	30,01,900

**B. Other equity**

Particulars	Equity share capital	Reserves and Surplus			Total	Items of OCI Remeasur- ment of net defined benefit liability /asset
		Securities Premium	Retained Earnings	Other reserves		
At March 31, 2020	30,01,900	-	(3,70,07,179)	-	(3,40,05,279)	-
Profit for the year	-	-	1,92,83,853	-	1,92,83,853	-
Other comprehensive income for the year	-	-	(443)	-	(443)	(443)
At March 31, 2021	30,01,900	-	(1,77,23,769)	-	(1,47,21,869)	(443)

(The accompanying notes 1 to 37 are an integral part of the financial statements)

As per our report of even date attached  
For Manek & Associates  
Chartered Accountants  
Firm Registration Number: 126679W

Shailesh Manek  
Partner  
Membership Number: 034925



Place: Mumbai  
Date: 1st June 2021

For and on behalf of the Board of Directors

Rahul Nachane  
Director  
DIN: 00223346

Place: Mumbai  
Date: 1st June 2021

Rajesh Lawande  
Director  
DIN: 00327301

**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2021**  
**(All amounts are in ₹ unless stated otherwise)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before extraordinary items and tax	2,27,14,348	-1,88,39,931
Adjustments for:		
Depreciation and amortisation expense	52,26,051	44,95,217
Finance costs	27,46,779	28,73,256
Interest income	-25,791	-
Other Comprehensive Income	-443	-
<b>Operating profit before working capital changes</b>	<b>3,06,60,944</b>	<b>-1,14,71,458</b>
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Other non-current assets	-1,39,86,715	-18,83,500
Trade receivables	-	92,03,206
Other current financial assets	-27,78,612	-3,96,693
Other current assets	-87,46,884	-11,41,016
	<b>-2,55,12,211</b>	<b>57,81,997</b>
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	61,00,573	2,34,62,877
Other current provisions	13,213	8,643
Other current liabilities	-	-
Other non current liabilities	-2,07,448	-1,25,297
Other non-current provisions	1,76,562	1,04,146
	<b>60,82,900</b>	<b>2,34,50,369</b>
<b>Cash generated from operations</b>	<b>1,12,31,633</b>	<b>1,77,60,908</b>
Net income tax paid	-34,30,495	1,25,297
<b>Net cash flow from operating activities (A)</b>	<b>78,01,138</b>	<b>1,78,86,205</b>
<b>B. Cash flow from investing activities</b>		
(Loss)/Gain on sale of investments	-	-
Interest Income	25,791	-
Finance Cost	-27,46,779	-28,73,256
Non current Loans	-	-
Long term borrowings	11,84,10,896	-1,57,88,483
Purchases of property, plant and equipment	-12,35,02,726	-70,57,213
<b>Net cash flow used in investing activities (B)</b>	<b>-78,12,818</b>	<b>-2,57,18,952</b>
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>C. Cash flow from financing activities</b>		
Issue of Share Capital	-	-
Share application money	-	-
Share Premium	-	-
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>-11,680</b>	<b>-78,32,747</b>
<b>Add: Cash and cash equivalents at the beginning of the year</b>	<b>7,24,540</b>	<b>85,57,287</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7,12,859</b>	<b>7,24,540</b>



Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash and cash equivalents at the end of the year</b>		
Comprises of:		
(a) Cash on hand	7,767	4,274
(b) Balances with banks		
(i) In current accounts	7,05,092	7,20,266
	<b>7,12,859</b>	<b>7,24,540</b>

(The accompanying notes 1 to 37 are an integral part of the financial statements)

As per our report of even date attached

**For Manek & Associates**

Chartered Accountants

Firm Registration Number: 126679W

**Shanesh Manek**

Partner

Membership Number: 034925

Place: Mumbai

Date: 1st June 2021



**For and on behalf of the Board of Directors**

**Rahul Nachane**

Director

DIN: 00223346

Place: Mumbai

Date: 1st June 2021

**Rajesh Lawande**

Director

DIN: 00327301

**Macrotech Polychem Private Limited**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

**1. CORPORATE INFORMATION**

Macrotech Polychem Private Limited (The Company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN: U24100MH2004PTC145189). The company manufactures pharmaceutical intermediates.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.01 Basis of preparation**

Financial statements for the year ended March 31, 2021 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended March 31, 2020.

**2.02 Functional currency and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees.

**2.03 Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and the assumptions having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Useful life of intangible assets
- Provisions

**2.04 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 trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in normal operating cycle
- It is held primarily for trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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



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## Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

### 2.05 Fair value measurement

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. 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 summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 2.06 Inventories

Stock of raw materials, consumable stores and fuel and oil are valued at lower of cost or market value, on FIFO basis. Finished goods and work in progress are valued at cost of production or market value whichever is lower.

### 2.07 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.



**Macrotech Polychem Private Limited**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

**Revenue from sale of goods and services**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns & trade discounts.

Revenue includes only the gross inflows of economic benefits. Amounts collected on behalf of third parties such as sales tax, value added tax and goods and service tax are excluded from revenue.

Revenue from sale of goods is recognized when the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership of the goods to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of services is recognized when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

**2.08 Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Interest on Funds borrowed for acquisition of property, plant and equipment up to the period such property, plant and equipment is ready for use is capitalized and added to the cost of such items.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

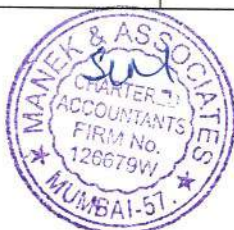
Depreciation in accounts is charged on Written Down Value Method based on the management's estimate of useful life of each class of assets and considering the useful life prescribed by Schedule II of the Companies Act, 2013 on the cost, as reduced by the amount of Excise Cenvat, GST and VAT setoff claimed

**Subsequent cost**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss.

Depreciation is provided on Written Down Value Method (WDV) basis, based on the estimated useful life of the assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	9.67	9.67
Computers	3.00	3.00
Electrical Installation	9.67	9.67
Laboratory Equipment	9.67	9.67
Buildings	30.00	30.00
Furniture and Fixtures	10.00	10.00



## Macrotech Polychem Private Limited

### Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

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

#### 2.09 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### 2.10 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 Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

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

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit because of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

##### Deferred tax

Deferred tax is measured using the balance sheet approach 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 are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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## Macrotech Polychem Private Limited

### Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

- 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 tax authority.

#### 2.11 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalized as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

#### 2.12 Provisions and contingent liabilities

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Long term provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 2.13 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 Company's 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.

#### 2.14 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 asset

##### 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. Purchase or sale 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 assets.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income
- at fair value through profit or loss

##### Financial assets at amortized cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



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**Macrotech Polychem Private Limited**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Financial assets at fair value through the statement of profit and loss/other comprehensive income**

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the statement of OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**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 derecognised (i.e. removed from the Company's 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 lay 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Impairment of financial assets**

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected Credit Loss (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 Statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial assets measured at FVTOCI- Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.



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**Macrotech Polychem Private Limited**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised 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 trade and other payables, loans and borrowings including other payables.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering 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.

This category generally applies to interest-bearing loans and borrowings.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. 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 recognised in the statement of profit and loss.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit & Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit & Loss at the reclassification date.

**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.



**Macrotech Polychem Private Limited**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts in Indian Rupees, unless otherwise stated)

**2.15 Cash and cash equivalents**

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

**2.16 Employee benefits****i) Defined benefit plans (Gratuity)**

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. The Company recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**ii) Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

**2.17 Segment reporting**

As the Company's business activities fall within a single primary business segment of pharmaceutical intermediates, the disclosure requirements of Ind AS 108 in this regard are not applicable.

**2.18 Government Grants**

Government grants are initially recognized at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, the amount of grant received is set off against the value of the property, plant and equipment against which the grant has been given.
- In case of grants that compensate the Company for expenses incurred are recognized in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

**2.19 Global Health Pandemic on Covid-19 and subsequent lockdown**

Due to severe increase in Covid cases, the government of Maharashtra has again imposed lockdown from 15th April 2021. The company manufactures pharmaceutical intermediates and is part of the essential activities permitted by the government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain exist during this lockdown period. The company has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.



**Macrotech Polychem Private Limited**

**Notes forming part of the Financial Statements as on 31st March 2021**

*(All amounts in Indian Rupees, unless otherwise stated)*

**2.20 Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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**MACROTECH POLYCHEM PRIVATE LIMITED**  
Notes forming part of the Financial Statements as on 31st March 2021  
(All amounts are in ₹ unless stated otherwise)

**3. PROPERTY, PLANT AND EQUIPMENT**

**(1) Current reporting period**

Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 01-Apr-20	Additions	Deductions	As at 31-Mar-21	As on 01-Apr-20	For the year	Additions/ (-)Deductions	As at 31-Mar-21	As at 31-Mar-20
Leasehold land	-	-	-	-	-	-	-	-	-
Buildings	77,14,908	-	-	77,14,908	43,96,181	3,04,842	-	47,01,023	33,18,728
Plant and Equipment	4,47,28,850	64,68,297	-	5,11,97,147	2,80,36,991	49,00,837	-	3,29,37,828	1,66,91,860
Furniture and Fixtures	4,05,332	-	-	4,05,332	3,18,853	20,372	-	3,39,225	86,479
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,28,49,091</b>	<b>64,68,297</b>	<b>-</b>	<b>5,93,17,388</b>	<b>3,27,52,024</b>	<b>52,26,051</b>	<b>-</b>	<b>3,79,78,075</b>	<b>2,13,39,312</b>
<b>Capital work-in-progress</b>	<b>-</b>	<b>11,70,34,429</b>	<b>-</b>	<b>11,70,34,429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,00,97,066</b>
									<b>11,70,34,429</b>

**(2) Previous reporting period**

Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	As on 01-Apr-19	Additions	Deductions	As at 31-Mar-20	As on 01-Apr-19	For the year	Additions/ (-)Deductions	As at 31-Mar-20	As at 31-Mar-19
Leasehold land	-	-	-	-	-	-	-	-	-
Buildings	70,56,752	6,58,156	-	77,14,908	41,09,921	2,86,260	-	43,96,181	29,46,832
Plant and Equipment	3,83,46,293	74,82,557	-11,00,000	4,47,28,850	2,38,52,673	41,84,318	-	2,80,36,991	1,44,93,620
Furniture and Fixtures	3,88,832	16,500	-	4,05,332	2,94,214	24,639	-	3,18,853	94,618
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,57,91,877</b>	<b>81,57,213</b>	<b>-11,00,000</b>	<b>5,28,49,091</b>	<b>2,82,56,807</b>	<b>44,95,217</b>	<b>-</b>	<b>3,27,52,024</b>	<b>1,75,35,070</b>
<b>Capital work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note :

Previous Year deletion from Plant & Machinery is due to capital subsidy received from Government of Maharashtra amounting to Rs.11,00,000/-



**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Notes forming part of the Financial Statements as on 31st March 2021**  
**(All amounts are in ₹ unless stated otherwise)**

**4. OTHER NON CURRENT FINANCIAL ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (Net of Provision)	5,63,824	-
<b>Total</b>	<b>5,63,824</b>	<b>-</b>

**5. OTHER NON CURRENT ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	1,53,06,391	18,83,500
<b>Total</b>	<b>1,53,06,391</b>	<b>18,83,500</b>

**6. CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
- Cash on hand	7,767	4,274
- Balances with banks	7,05,092	7,20,266
<b>Total</b>	<b>7,12,859</b>	<b>7,24,540</b>

**7. BANK BALANCES OTHER THAN ABOVE**

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank	1,14,888	1,07,923
<b>Total</b>	<b>1,14,888</b>	<b>1,07,923</b>

(i) Deposits of Rs. 1,14,888 (previous year Rs. 1,07,923) with maturity of less than 12 months

**8. OTHER CURRENT FINANCIAL ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Advance to vendors	20,83,600	1,05,000
Security deposits	17,59,823	4,47,815
Others	8,308	5,27,269
<b>Total</b>	<b>38,51,731</b>	<b>10,80,084</b>

**9. OTHER CURRENT ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	54,724	-
Balance with government authorities	1,02,77,799	15,85,639
<b>Total</b>	<b>1,03,32,523</b>	<b>15,85,639</b>



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**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Notes forming part of the Financial Statements as on 31st March 2021**  
(All amounts are in ₹ unless stated otherwise)

**10. SHARE CAPITAL**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
At the beginning of the year	5,00,000	50,00,000	5,00,000	50,00,000
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	5,00,000	50,00,000	5,00,000	50,00,000

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Issued share capital</b>				
At the beginning of the year	3,00,190	30,01,900	3,00,190	30,01,900
Increase/ (decrease) during the year	-	-	-	-
At the end of the year	3,00,190	30,01,900	3,00,190	30,01,900

a) The company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of Share holder holding more than 5% shares in the Company :

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	% Holding	Number	% Holding
<b>Equity shares</b>				
NGL Fine-Chem Limited	3,00,190	100.00%	3,00,190	100.00%

c) Reconciliation of the number of equity shares and share capital:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	3,00,190	30,01,900	3,00,190	30,01,900
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,00,190	30,01,900	3,00,190	30,01,900

**11. RESERVES AND SURPLUS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Retained earnings</b>		
Opening Balance	(3,70,07,179)	(1,82,92,545)
Add: Profit/(Loss) for the year	1,92,83,410	(1,87,14,634)
Less: Appropriations	-	-
Closing Balance	(1,77,23,769)	(3,70,07,179)
<b>Total</b>	(1,77,23,769)	(3,70,07,179)

**12. NON CURRENT BORROWINGS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Loans from Holding Company	15,37,22,412	3,53,11,517
NGL Fine Chem Ltd		
<b>Total</b>	15,37,22,412	3,53,11,517

**Terms and conditions of loans:**

Interest on Loan from Holding Company, NGL Fine Chem Limited is @ 8.30% p.a. (Previous Year: 9.60% p.a.)



**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Notes forming part of the Financial Statements as on 31st March 2021**  
 (All amounts are in ₹ unless stated otherwise)

**13. PROVISIONS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Leave Encashment	2,14,253	82,623
Gratuity	66,455	21,523
	<b>2,80,708</b>	<b>1,04,146</b>
<b>Current</b>		
Leave Encashment	21,680	8,598
Gratuity	176	45
	<b>21,856</b>	<b>8,643</b>
<b>Total</b>	<b>3,02,564</b>	<b>1,12,789</b>

**14. DEFERRED TAX LIABILITIES (NET)**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at April 1	2,14,164	3,39,461
Tax (Income)/Expense during the period recognised in:	-	-
(i) Statement of Profit and Loss in Profit or Loss section	(2,07,292)	(1,25,297)
(ii) Statement of Profit and Loss under OCI Section	(156)	-
(iii) Retained earnings	-	-
<b>Closing balance as at March 31</b>	<b>6,716</b>	<b>2,14,164</b>

**15. TRADE PAYABLES**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<u>Trade payables</u>		
Acceptances	-	-
Other than Acceptances	2,99,46,134	2,38,45,561
<b>Total</b>	<b>2,99,46,134</b>	<b>2,38,45,561</b>

**Notes**

The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act 2006" (MSMED Act). Therefore it is not possible to give the information required under the Act.



**MACROTECH POLYCHEM PRIVATE LIMITED**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts are in ₹ unless stated otherwise)

**16 REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products/Processing Charges	5,72,33,399	98,68,046
<b>Total revenue from operations</b>	<b>5,72,33,399</b>	<b>98,68,046</b>

**17 OTHER INCOME**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	25,791	-
Other non-operating income (net of expenses directly attributable to such income)	42,400	-
<b>Total</b>	<b>68,191</b>	<b>-</b>

**18 COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials at the beginning of the year	-	-
Add: Purchases	28,47,210	18,34,791
Less: Raw material at the end of the year	-	-
<b>Total cost of raw materials consumed</b>	<b>28,47,210</b>	<b>18,34,791</b>

**19 EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	77,99,986	20,68,261
Contribution to provident fund and other funds	3,82,805	21,568
Staff welfare expense	3,95,847	2,06,276
<b>Total</b>	<b>85,78,638</b>	<b>22,96,105</b>



**MACROTECH POLYCHEM PRIVATE LIMITED**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts are in ₹ unless stated otherwise)

**Disclosure pursuant to Ind AS 19 - "Employee Benefits"**

(i) Defined contribution plans: Note 2.16

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to provident fund	2,76,628	-

(ii) Defined benefit plans: Note 2.16

**Gratuity Plan**

(a) Funded status of the plan

Particulars	As at March 31, 2021	As at March 31, 2020
A) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	66,631	21,568
	66,631	21,568
Less: Fair value of plan assets		
Amount to be recognized as liability or (asset)	66,631	21,568
B) Amounts reflected in Balance Sheet		
Liabilities	66,631	21,568
Assets	-	-
Net liability/(asset)	66,631	21,568
Net liability/(asset) - current	176	45
Net liability/(asset) - non current	66,455	21,523

(b) The amount recognized in the Statement of Profit and Loss are as follows

Particulars	As at March 31, 2021	As at March 31, 2020
1. Current service cost	42,988	21,568
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	1,476	-
Total charge to Profit & Loss	44,464	21,568

(c) The amount recognized in Other Comprehensive Income

Particulars	As at March 31, 2021	As at March 31, 2020
Components of actuarial gain/(losses) on obligations	-	-
Due to change in financial assumptions	462	-
Due to change in demographic assumptions	-	-
Due to experience adjustments	137	-
Return on plan assets excluding amount included in interest income	-	-
Amount recognized in Other Comprehensive Income	599	-



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**MACROTECH POLYCHEM PRIVATE LIMITED**
**Notes forming part of the Financial Statements as on 31st March 2021**
**(All amounts are in ₹ unless stated otherwise)**
**(d) Reconciliation of defined benefit obligation**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	21,568	-
Transfer in/(out) obligation	-	-
Current service cost	42,988	21,568
Interest cost	1,476	-
Actuarial loss/(gain) due to change in financial assumptions	462	-
Actuarial loss/(gain) due to change in demographic assumptions	-	-
Actuarial loss/(gain) due to experience adjustments	137	-
Past service cost	-	-
Loss/(gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	66,631	21,568

**(e) Reconciliation of plan assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening value of plan assets	-	-
Transfer in/(out) of plan assets	-	-
Interest income	-	-
Return on plan assets excluding amount included in interest income	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Particulars	As at March 31, 2021	As at March 31, 2020
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Adjustment to the opening fund	-	-
Closing balance of plan assets	-	-

**(f) Reconciliation of net defined benefit liability**

Particulars	As at March 31, 2021	As at March 31, 2020
Net opening provision in books of account	21,568	-
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit expense (from (b) above)	44,464	21,568
Amounts recognized in other comprehensive income (from (c) above)	599	-
	66,631	21,568
Contribution to plan assets	-	-
Closing provision in books of accounts	66,631	21,568



**MACROTECH POLYCHEM PRIVATE LIMITED**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts are in ₹ unless stated otherwise)

## (g) Composition of plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
Policy of insurance	-	-

## (h) Principal actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.80%	6.85%
Salary growth rate	6.00%	6.00%
Withdrawal rates	10% p.a. at younger ages reducing to 2 % p.a. at older ages	10% p.a. at younger ages reducing to 2 % p.a. at older ages
Rate of return on plan assets	NA	NA

## (i) Expected cash flows based on past service liability

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	%	Rupees	%
Year 1 Cash Flow	176	0.10%	45	0.10%
Year 2 Cash Flow	188	0.10%	47	0.10%
Year 3 Cash Flow	203	0.10%	50	0.10%
Year 4 Cash Flow	2,456	1.20%	53	0.10%
Year 5 Cash Flow	6,168	2.90%	958	1.30%
Year 6 to Year 10 Cash Flow	31,734	14.90%	9,753	13.20%

## (j) Sensitivity analysis of key assumptions

Particulars	As at March 31, 2021		As at March 31, 2020	
	DBO	Change in DBO %	DBO	Change in DBO %
Discount rate varied by 0.5%				
+ 0.5%	62,194	-6.66%	20,039	-7.09%
- 0.5%	71,536	7.36%	23,264	7.86%
Salary growth rate varied by 0.5%				
+ 0.5%	71,549	7.38%	23,270	7.89%
- 0.5%	62,141	-6.74%	20,020	-7.18%
Withdrawal rate (WR) varied by 10%				
WR x 110%	65,146	-2.23%	20,934	-2.94%
WR x 90%	68,110	2.22%	22,209	2.97%

## (iii) Employee benefits (leave encashment)

The company has provided for accumulated compensation absences (leave encashment) as per Ind AS 19 "Employee Benefits". The provision is made on the basis of actuarial evaluation carried out. The current years provision is charged under Salaries and Wages as given below. This liability is not funded.

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries - leave encashment	1,44,712	91,221



**MACROTECH POLYCHEM PRIVATE LIMITED**

Notes forming part of the Financial Statements as on 31st March 2021

(All amounts are in ₹ unless stated otherwise)

**20 OTHER EXPENSES**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and Fuel	57,40,166	24,05,791
Factory Expenses	13,18,737	9,81,371
Water Charges	6,23,782	2,19,225
Repairs to		
Plant & Machinery	45,06,226	89,32,281
Factory Buildings	3,93,521	29,15,399
Other Assets	28,293	2,77,305
Insurance	73,991	66,413
Laboratory Expenses	1,84,934	1,30,454
Payment to Auditors (See note below)	3,00,000	1,45,000
Postage & Telephone Expenses	-	2,000
Legal and Professional Fees	4,61,529	2,79,699
Bank Charges and Commission	800	829
Rent, Rates and Taxes	1,26,036	-
Printing & Stationery	71,536	39,234
Freight, Coolie & Cartage	5,41,567	1,60,532
Watch and Ward Charges	5,67,000	3,28,500
Miscellaneous Expenses	2,50,446	3,24,575
<b>Total</b>	<b>1,51,88,564</b>	<b>1,72,08,608</b>

(a) Details about payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Payment to statutory auditors (net of GST input)		
As auditors - statutory audit	2,25,000	1,45,000
As auditors - other services	75,000	-
<b>sub total</b>	<b>3,00,000</b>	<b>1,45,000</b>

**21 FINANCE COSTS**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
-Long term borrowings	27,46,779	28,46,771
-Short term borrowings	-	26,485
<b>Total</b>	<b>27,46,779</b>	<b>28,73,256</b>



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**MACROTECH POLYCHEM PRIVATE LIMITED**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts are in ₹ unless stated otherwise)

**Financial Statements**

**22 Contingent liability**

(Amount in ₹)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Disputed direct tax Total demand from the Income Tax Department disputed by the company for AY 2010-11	10,06,840	11,92,740

**23 Commitments**

(Amount in ₹)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided		
Tangible assets	3,16,76,733	65,94,000
(ii) Other commitments (specify nature)		
Guarantees issued by banks on behalf of the company	1,00,000	1,00,000

**24 Related Parties Disclosures**

Disclosures as required by IND AS 24 - "Related Party Disclosures" are given below

(a) Related Parties with whom transactions have taken place during the year

(i) Holding Company

Name	% of Holding
NGL Fine Chem Limited	100%

(ii) Key management personnel

Name	Designation
Rahul Nachane	Director
Rajesh Lawande	Director

(b) Nature of transaction

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Amount (₹)	Amount (₹)
<u>NGL Fine Chem Limited</u>		
(i) Income		
a. Processing Charges received	5,48,82,970	85,56,498
b. Sales	23,50,429	13,11,547
(ii) Expenses		
a. Purchases	20,67,510	49,45,200
b. Interest on Loan taken	27,46,779	28,46,771
(iii) Property, Plant and Equipment		
Interest Capitalised	26,16,353	-
(iv) Outstanding balances		
NGL Fine Chem Limited - Advance received	44,05,920	2,13,35,200
NGL Fine Chem Limited - Loan received	15,37,22,412	3,53,11,517

**25 Fair values**

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the Company. The management has also considered the effect of time value of money with respect to other long term financial instruments at applicable rates.



**MACROTECH POLYCHEM PRIVATE LIMITED****Summary of significant accounting policies and other explanatory information**  
(All amounts are in ₹ unless stated otherwise)**26 Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management assessment is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

**Carrying amount of financial assets and liabilities:**

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Financial assets</b>		
Cash and cash equivalents	7,12,859	7,24,540
Bank balances other than above	1,14,888	1,07,923
Other financial assets	38,51,731	10,80,084
<b>At end of the year</b>	<b>46,79,478</b>	<b>19,12,547</b>
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Financial liabilities</b>		
Trade payables	2,99,46,134	2,38,45,561
<b>At end of the year</b>	<b>2,99,46,134</b>	<b>2,38,45,561</b>

**27 Credit risk**

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

**Trade receivables**

Trade receivables are typically unsecured and derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain, however this is modified if in the past experience of the company, there is likely mitigation of the credit risk.

**Ageing of trade receivable**

Particulars	Days			Total
	0-180	180-365	Above 365	
As on March 31, 2021	-	-	-	-
As on March 31, 2020	-	-	-	-

**28 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

**29 Interest rate risk**

Company's interest rate risk arises from borrowings. The long term borrowings are at variable interest rate. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Fixed rate instruments</b>		
Financial Assets	-	-
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial Assets	-	-
Financial liabilities	15,37,22,412	3,53,11,517



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**MACROTECH POLYCHEM PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information  
(All amounts are in ₹ unless stated otherwise)

**Interest rate sensitivity**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's debt obligations with floating interest rates.

	As at March 31, 2021	As at March 31, 2020
Long term variable interest rate borrowings	15,37,22,412	3,53,11,517
Short term variable interest rate borrowings	-	-
	<b>15,37,22,412</b>	<b>3,53,11,517</b>

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

Year ended	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
March 31, 2021	100 (100)	15,37,224 (15,37,224)
March 31, 2020	100 (100)	3,53,115 (3,53,115)

**30 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company manages the liquidity risk by maintaining reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Particulars	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹	₹
<b>Year ended March 31, 2021</b>					
Trade payables	-	2,99,46,134	-	-	2,99,46,134
Other financial liabilities	-	-	-	-	-
	-	<b>2,99,46,134</b>	-	-	<b>2,99,46,134</b>
<b>Year ended March 31, 2020</b>					
Trade payables	-	2,38,45,561	-	-	2,38,45,561
Other financial liabilities	-	-	-	-	-
	-	<b>2,38,45,561</b>	-	-	<b>2,38,45,561</b>

At present, the Company expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

**31 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the value of shareholder.

The Company monitors capital using Capital Gearing Ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and borrowings	15,37,22,412	3,53,11,517
Trade payables	2,99,46,134	2,38,45,561
Other payables	2,87,424	3,18,310
Less: Cash and cash equivalents	(8,27,747)	(8,32,463)
<b>Net debt (A)</b>	<b>18,31,28,223</b>	<b>5,86,42,925</b>
Equity	-1,47,21,869	-3,40,05,279
<b>Capital and net debt (B)</b>	<b>-1,47,21,869</b>	<b>-3,40,05,279</b>
<b>Capital gearing ratio (A/B)</b>	<b>-12.44</b>	<b>-1.72</b>

To achieve the overall objective, the Company's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.



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**MACROTECH POLYCHEM PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information  
(All amounts are in ₹ unless stated otherwise)

**32 Income tax**

The major components of income tax expense for the years are:

**Income statement**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current income tax:</b>		
Current income tax charge	(31,00,000)	-
Adjustments in respect of current income tax of previous year	(5,37,787)	-
MAT Credit	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	2,07,292	1,25,297
Relating to origination and reversal of temporary differences through OCI	156	-
<b>Income tax expense reported in the income statement</b>	<b>(34,30,339)</b>	<b>1,25,297</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	2,27,14,348	(1,88,39,931)
Income tax expense calculation	37,91,479	-
Effect of income that is exempt from taxation	-	-
Deduction for carry forward losses	(72,21,818)	-
Effect of expenses that are not deductible in determining taxable profits	-	1,25,297
<b>Total tax expense</b>	<b>(34,30,339)</b>	<b>1,25,297</b>

The tax rate used for the reconciliations above is the minimum alternate tax of 16.692% payable by corporate entities in India on taxable profits under tax law in the Indian jurisdiction, in lieu of the standard corporate rate on account of carry forward losses.

**33 Additional information**

**(a) Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation:

Particulars	As at March 31, 2021	As at March 31, 2020
Profit after tax as per accounts	1,92,83,853	(1,87,14,634)
Weighted average number of equity shares for basic EPS*	3,00,190	3,00,190
Weighted average number of equity shares adjusted for the effect of dilution*	3,00,190	3,00,190
Face value per share	10	10
Basic earning per share	64.24	(62.34)
Diluted earning per share	64.24	(62.34)

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of the financial statements.



**MACROTECH POLYCHEM PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information  
(All amounts are in ₹ unless stated otherwise)

	As at March 31, 2021		As at March 31, 2020	
(b) Value of imports calculated on CIF basis:				
Raw materials		-		-
Capital goods		-		-
Total		-		-
(c) Expenditure in foreign currency:				
Professional and consultation fees		-		-
Other matters		-		-
Total		-		-
(d) Details of consumption of imported and indigenous items				
(i) Raw materials Consumed				
Indigenous	100.0%	28,47,210	100.0%	18,34,791
Imported	0.0%	-	0.0%	-
Total	100.0%	28,47,210	100.0%	18,34,791
(ii) Stores and spares Consumed				
Indigenous	0.0%	-	0.0%	-
Imported	0.0%	-	0.0%	-
Total	0.0%	-	0.0%	-
(e) Earnings in foreign exchange :				
Export of goods calculated on FOB basis		-		-
Other (Insurance & Freight)		-		-

**34 Segmental information**

As the Company's business activities fall within a single primary business segment namely pharmaceuticals, the disclosure requirements of Ind AS 108 in this regard are not applicable.

**35 Classification and presentation of assets and liabilities**

Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realizable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

**36 Subsequent events**

i) The Company evaluated all events and transactions that occurred after March 31, 2021 through 1st June 2021; the date on which the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than that mentioned above.

ii) Due to severe increase in Covid cases, the government of Maharashtra has again imposed lockdown from 15th April 2021. The company manufactures pharmaceutical intermediates and is part of the essential activities permitted by the government. Challenges in terms of shortage of manpower, availability of raw materials and disruption in logistics and supply chain exist during this lockdown period. The company has considered the possible effects that may result due to the lockdown on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However a definite assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

37 The previous years figures have been regrouped and rearranged wherever necessary.

(The accompanying notes 1 to 37 are an integral part of the financial statements)  
As per our report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration Number: 126679W

Shailesh Manek

Partner

Membership Number: 034925



For and on behalf of the Board of Directors

Rahul Nachane

Director

DIN: 00223346

Rajesh Lawande

Director

DIN: 00327301

Place: Mumbai

Date: 1st June 2021

Place: Mumbai

Date: 1st June 2021