

MACROTECH POLYCHEM PRIVATE LIMITED
Financial statements for the year ended March 31, 2020
(All amounts are in ₹ unless stated otherwise)

Balance Sheet

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,00,97,066	1,75,35,070
(b) Other non-current assets	4	18,83,500	-
Total non-current assets		2,19,80,566	1,75,35,070
(2) Current assets			
(a) Inventories		-	-
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	5	-	92,03,206
(iii) Cash and cash equivalents	6	7,24,540	85,57,287
(iv) Bank balances other than (iii) above	7	1,07,923	-
(v) Loans			
(vi) Others	8	10,80,084	7,91,314
(b) Current Tax Assets (Net)			
(c) Other current assets	9	15,85,639	4,44,623
Total current assets		34,98,186	1,89,96,430
TOTAL ASSETS		2,54,78,752	3,65,31,500
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	30,01,900	30,01,900
(b) Other equity			
(i) Reserves and surplus	11	(3,70,07,179)	(1,82,92,545)
Share application money pending allotment		-	-
TOTAL EQUITY		(3,40,05,279)	(1,52,90,645)
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,53,11,517	5,11,00,000
(b) Provisions	13	1,04,146	-
(c) Deferred tax liabilities	14	2,14,164	3,39,461
Total non-current liabilities		3,56,29,827	5,14,39,461
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15	2,38,45,561	3,82,684
(b) Provisions	13	8,643	-
(c) Current Tax Liabilities (Net)			
Total current liabilities		2,38,54,204	3,82,684
TOTAL LIABILITIES		5,94,84,031	5,18,22,145
TOTAL EQUITY AND LIABILITIES		2,54,78,752	3,65,31,500

(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
Proprietor
Membership Number: 034925

Place: Mumbai
Date: June 29, 2020



For and on behalf of the Board of Directors

Rahul Nachane
Director
DIN: 00223346

Rajesh Lawande
Director
DIN: 00327301

Place: Mumbai
Date: June 29, 2020

MACROTECH POLYCHEM PRIVATE LIMITED
Financial statements for the year ended March 31, 2020
(All amounts are in ₹ unless stated otherwise)

Statement of Profit and Loss

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	16	98,68,046	1,78,59,563
Other income	17	-	60,621
Total income		98,68,046	1,79,20,184
Expenses			
Cost of materials consumed	18	18,34,791	18,79,285
Employee benefits expense	19	22,96,105	50,98,104
Other expenses	20	1,72,08,608	74,05,305
Finance Cost	21	28,73,256	-
Depreciation expense	3	44,95,217	26,36,515
Total expenses		2,87,07,977	1,70,19,209
Profit/(Loss) before tax from continuing operations		(1,88,39,931)	9,00,975
Current tax	32	-	(1,73,347)
Less: MAT Credit	32	-	9,004
Current tax expense relating to prior years			
Deferred tax (expense)/writeback	32	1,25,297	(73,100)
Income tax expense		1,25,297	(2,37,443)
Profit/(Loss) for the year from continuing operations		(1,87,14,634)	6,63,532
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Profit/(Loss) on actuarial valuation of post employment benefits			
Add/(Less): Income tax expense			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(Loss) for the year		(1,87,14,634)	6,63,532
Earnings per equity share (for continuing operations)			
Basic		(62.34)	2.21
Diluted		(62.34)	2.21

(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
Proprietor
Membership Number: 034925

Place: Mumbai
Date: June 29, 2020



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

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

	As at March 31, 2020		As at March 31, 2019	
	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 Remeasurement of net defined benefit liability /asset
		Securities Premium	Retained Earnings	Other reserves		
At March 31, 2019	30,01,900	-	(1,82,92,545)	-	(1,52,90,645)	-
Profit for the year	-	-	(1,87,14,634)	-	(1,87,14,634)	-
Less:- Dividend Paid (inclusive of taxes)	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
At March 31, 2020	30,01,900	-	(3,70,07,179)	-	(3,40,05,279)	-

(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

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Place: Mumbai
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Director
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Place: Mumbai
Date: June 29, 2020

MACROTECH POLYCHEM PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2020
(All amounts are in ₹ unless stated otherwise)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before extraordinary items and tax	-1,88,39,931	9,00,976
Adjustments for:		
Depreciation and amortisation expense	44,95,217	26,36,515
Finance costs	28,73,256	-
Interest income	-	-48,621
Operating profit before working capital changes	-1,14,71,458	34,88,870
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Other non-current assets	-18,83,500	-
Trade receivables	92,03,206	30,23,719
Other current financial assets	-3,96,693	-
Other current assets	-11,41,016	-83,879
	57,81,997	29,39,840
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	2,34,62,877	-22,22,776
Other current provisions	8,643	-9,58,518
Other current liabilities	-	-10,12,215
Other non current liabilities	-1,25,297	73,100
Other non-current provisions	1,04,146	-
	2,34,50,369	-41,20,409
Cash generated from operations	1,77,60,908	23,08,301
Net income tax paid	1,25,297	-2,37,444
Net cash flow from operating activities (A)	1,78,86,205	20,70,857
B. Cash flow from investing activities		
Gain on sale of investments	-	48,621
Interest Income	-	-
Finance Cost	-28,73,256	-
Non current Loans	-	-80,773
Long term borrowings	-1,57,88,483	86,33,911
Purchases of Fixed assets	-70,57,213	-22,55,330
Net cash flow used in investing activities (B)	-2,57,18,952	63,46,429
	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Cash flow from financing activities		
Issue of Share Capital	-	-
Share application money	-	-
Share Premium	-	-
Net cash flow from/ (used in) financing activities (C)	-	-
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	-78,32,747	84,17,286
Add: Cash and cash equivalents at the beginning of the year	85,57,287	1,40,001
Cash and cash equivalents at the end of the year *	7,24,540	85,57,287

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents at the end of the year*		
*Comprises of:		
(a) Cash on hand	4,274	64,538
(b) Balances with banks	7,20,266	84,92,749
(i) In current accounts		
	7,24,540	85,57,287

(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
Proprietor
Membership Number: 034925

Place: Mumbai
Date: June 29, 2020



For and on behalf of the Board of Directors

Rahul Nachane
Director
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Rajesh Lawande
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Place: Mumbai
Date: June 29, 2020

Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(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, 2020 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, 2019.

For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP')

On 15th May 2019, the company became a wholly owned subsidiary of NGL Fine-Chem Limited, a company listed on Bombay Stock Exchange. By virtue of being a wholly owned subsidiary of a listed company, the financial statements for the year ended 31st March 2020 have been prepared on adoption of IND AS standards.

These financial statements are the first financial statements of the Company under Ind AS.

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



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Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

- 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.

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.

AS *RS*



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.

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, including excise duty, received and receivable by the Company, on its own account. 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.

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



Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

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

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:



Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

- 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.
- 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. Costs in connection with the borrowing of funds are charged to statement of profit and loss.

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 event, 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



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Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

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
- 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 financials 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:



Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

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.

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.



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Macrotech Polychem Private Limited
Notes forming part of the Financial Statements as on 31st March 2020
(All amounts in Indian Rupees, unless otherwise stated)

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.

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.

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Macrotech Polychem Private Limited

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts in Indian Rupees, unless otherwise stated)

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 fixed asset 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

The outbreak of Covid-19 pandemic globally and in India is causing a significant downturn in economic activity. In many countries, businesses are being required to cease or limit their activities for long or indeterminate length of time. Measures taken to contain the spread of Covid-19 include restrictions on travel, quarantines, social distancing and closure of non-essential services have resulted in economic slowdown and stress on businesses.

Covid-19 is impacting the operations of the Company, by way of interruption in the supply chain, disruption in production, unavailability of personnel, etc. On 22nd March 2020, The Government of Maharashtra ordered a lockdown in Maharashtra and this was followed by the Government of India implementing a lockdown from 24th March 2020 till 3rd May 2020. The company is a manufacturer of pharmaceutical intermediates which are classified as essential commodities by the government. The company was able to restart operations from 1st April 2020, however unavailability of personnel and supply chain disruptions are expected to continue to affect operations till the lockdown is lifted and the restrictions regularized by the government.

In assessing the recoverability of the company's assets such as investments, loans and advances, intangible assets, goodwill, trade receivables, etc., the company has considered internal and external information. The company has performed a sensitivity analysis on the assumptions used basis the internal and external information. The company expects to recover the carrying amount of assets.

2.20 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies the new standards on amendments to the existing standards. Under mentioned changes of IND AS have become applicable from financial year beginning 1st April 2019. However the adoption of these changes does not have any impact on the financial statement as there are no transactions covered under these amendments:

Appendix C to IND AS 12: 'Uncertainty over Income Tax Treatments'
Amendments to IND AS 109: 'Prepayment features with negative compensation'
Amendment to IND AS 19: 'Plan amendment, curtailment or settlement'
Amendments to IND AS 28: 'Long term interest in associates and joint ventures'
Amendments to IND AS 103: 'Party to a joint arrangements obtains control of a business'
Amendments to IND AS 111: 'Joint Arrangements'
Amendments to IND AS 12: 'Income Taxes'
Amendments to IND AS 23: 'Borrowing cost'



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MACROTECH POLYCHEM PRIVATE LIMITED
Notes forming part of the Financial Statements as on 31st March 2020
 (All amounts are in ₹ unless stated otherwise)

3. PROPERTY, PLANT AND EQUIPMENT

	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-20	As on 01-Apr-19
Leasehold land	-	-	-	-	-	-	-	-	-	-
Buildings	70,56,752	6,58,156	-	77,14,908	41,09,921	2,86,260	-	43,96,181	33,18,728	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	1,66,91,860	1,44,93,620
Furniture and Fixtures	3,88,832	16,500	-	4,05,332	2,94,214	24,639	-	3,18,853	86,479	94,618
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
Office Equipments	4,57,91,877	81,57,213	-11,00,000	5,28,49,091	2,82,56,807	44,95,217	-	3,27,52,024	2,00,97,066	1,75,35,070
Total	4,57,91,877	81,57,213	-11,00,000	5,28,49,091	2,82,56,807	44,95,217	-	3,27,52,024	2,00,97,066	1,75,35,070
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
Previous Year	4,35,36,547	22,55,330	-	4,57,91,877	2,56,20,291	26,36,515	-	2,82,56,806	1,75,35,071	1,79,16,256

Note :
 Deletion from Plant & Machinery is due to capital subsidy received from Government of Maharashtra amounting to Rs.11,00,000/- (Previous Year NIL)



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MACROTECH POLYCHEM PRIVATE LIMITED
Notes forming part of the Financial Statements as on 31st March 2020
(All amounts are in ₹ unless stated otherwise)

4. OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	18,83,500	-
Total	18,83,500	-

5. TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good	-	92,03,206
Unsecured considered doubtful	-	-
Less: Allowance for doubtful doubts	-	-
Total Receivables	-	92,03,206
Current	-	92,03,206
Non-current	-	-

6. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
- Cash on hand	4,274	64,538
- Balances with banks	7,20,266	84,92,749
Total	7,24,540	85,57,287

7. BANK BALANCES OTHER THAN ABOVE

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with bank	1,07,923	-
Total	1,07,923	-

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

8. OTHER CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to vendors	1,05,000	2,00,000
Security deposits	4,47,815	5,91,314
Others	5,27,269	-
Total	10,80,084	7,91,314

9. OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	-	56,660
Balance with government authorities	15,85,639	3,87,963
Total	15,85,639	4,44,623



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MACROTECH POLYCHEM PRIVATE LIMITED
Notes forming part of the Financial Statements as on 31st March 2020
(All amounts are in ₹ unless stated otherwise)

10. SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Authorised share capital				
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

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Issued share capital				
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, 2020		As at March 31, 2019	
	Number	% Holding	Number	% Holding
Equity shares				
Nilesh Vipinchandra Mehta	-	-	1,50,100	50.00%
Hetal Nilesh Mehta	-	-	1,50,090	50.00%
NGL Fine-Chem Limited	3,00,190	100.00%	-	-

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
Retained earnings		
Opening Balance	(1,82,92,545)	(1,89,56,077)
Add: Profit/(Loss) for the year	(1,87,14,634)	6,63,532
Less: Appropriations	-	-
Closing Balance	(3,70,07,179)	(1,82,92,545)
Total	(3,70,07,179)	(1,82,92,545)

12 NON CURRENT BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loans from shareholders	3,53,11,517	4,41,00,000
Loans from others - EMD Received	-	70,00,000
Total	3,53,11,517	5,11,00,000

Terms and conditions of loans

Term loan from NGL Fine Chem Limited is @ 9.60% interest per annum



MACROTECH POLYCHEM PRIVATE LIMITED
Notes forming part of the Financial Statements as on 31st March 2020
(All amounts are in ₹ unless stated otherwise)

13. PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Leave Encashment	82,623	-
Gratuity	21,523	-
	1,04,146	-
Current		
Leave Encashment	8,598	-
Gratuity	45	-
	8,643	-
Total	1,12,789	-

14 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance as at April 1	3,39,461	2,66,361
Tax (Income)/Expense during the period recognised in:		
(i) Statement of Profit and Loss in Profit or Loss section	(1,25,297)	73,100
(ii) Statement of Profit and Loss under OCI Section	-	-
(iii) Retained earnings	-	-
Closing balance as at March 31	2,14,164	3,39,461

15. TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables		
Acceptances	-	-
Other than Acceptances	2,38,45,561	3,82,684
Total	2,38,45,561	3,82,684

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.



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MACROTECH POLYCHEM PRIVATE LIMITED

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts are in ₹ unless stated otherwise)

16 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products/Processing Charges	98,68,046	1,78,59,563
Total revenue from operations	98,68,046	1,78,59,563

17 OTHER INCOME

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	-	48,621
Other non-operating income (net of expenses directly attributable to such income)	-	12,000
Total	-	60,621

18 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials at the beginning of the year	-	-
Add: Purchases	18,34,791	18,79,285
Less: Raw material at the end of the year	-	-
Total cost of raw materials consumed	18,34,791	18,79,285

19 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	20,68,261	48,69,137
Contribution to provident fund and other funds	21,568	1,131
Staff welfare expense	2,06,276	2,27,836
Total	22,96,105	50,98,104



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MACROTECH POLYCHEM PRIVATE LIMITED

Notes forming part of the Financial Statements as on 31st March 2020

(All amounts are in ₹ unless stated otherwise)

Disclosure pursuant to Ind AS 19 - "Employee Benefits"

(i) Defined contribution plans: Note 2.17

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	-	-

(ii) Defined benefit plans: Note 2.17

Gratuity Plan

(a) Funded status of the plan

	As at March 31, 2020	As at March 31, 2019
A) Present value of defined benefit obligation		
- Wholly funded	-	-
- Wholly unfunded	21,568	-
	21,568	-
Less: Fair value of plan assets		
Amount to be recognized as liability or (asset)	21,568	-
B) Amounts reflected in Balance Sheet		
Liabilities	21,568	-
Assets	-	-
Net liability/(asset)	21,568	-
Net liability/(asset) - current	45	-
Net liability/(asset) - non current	21,523	-

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

	As at March 31, 2020	As at March 31, 2019
1. Current service cost	21,568	-
2. Past service cost and loss/(gain) on curtailments and settlements	-	-
3. Interest cost	-	-
Total charge to Profit & Loss	21,568	-

(c) The amount recognized in Other Comprehensive Income

	As at March 31, 2020	As at March 31, 2019
Components of actuarial gain/(losses) on obligations	-	-
Due to change in financial assumptions	-	-
Due to change in demographic assumptions	-	-
Due to experience adjustments	-	-
Return on plan assets excluding amount included in interest income	-	-
Amount recognized in Other Comprehensive Income	-	-

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