



**POLYGENTA TECHNOLOGIES LIMITED**

**39<sup>TH</sup> ANNUAL REPORT  
2020-2021**

**CORPORATE IDENTIFICATION NO.:** L17120MH1981PLC025388

**ISIN** : INE441D01020

**BOARD OF DIRECTORS** : Ms. Sujata Chattopadhyay Chairperson, Independent Director  
Mr. Dhanvant Yeola Executive Director (Technical)  
Mr. Ghanshyam Karkera Independent Director  
Mr. Deepak Shetty Independent Director

**CEO** : Mr. Makarand Kulkarni

**COMPANY SECRETARY** : Mr. Paresh Damania

**CFO** : Mr. Chetan Gandhi

**BANKER** : RBL Bank

**REGISTERED OFFICE** : Kaledonia (HDIL) Building,  
Unit No. 1B, 5<sup>th</sup> Floor,  
Sahar Road,  
Off Western Express Highway,  
Andheri (E),  
Mumbai : 400069

**FACTORY** : Gut No.265/1, 266,  
Village Avankhed,  
Taluka Dindori,  
District Nashik.  
Pin 422 202  
Maharashtra

**AUDITORS** : **Bagaria & Co LLP**  
701, Stanford,  
Junction of S V Road and  
Burfiwala Marg,  
Andheri west,  
Mumbai : 400 058

**REGISTRAR AND TRANSFER AGENTS** : **Universal Capital Securities Pvt. Ltd.**  
C-101, 247 Park, 1st Floor,  
LBS Road, Gandhi Nagar,  
Vikhroli (West),  
Mumbai – 400 083  
Phone No.:+91 (022) 28207203-05,  
+91 (022) 49186178-79

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**NOTICE OF AGM – 2021**

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of Members of Polygenta Technologies Limited will be held on Tuesday, 21 September 2021 at 11.00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:-

**Ordinary Business:-**

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2021 together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dhanvant Hari Yeola, who retires by rotation and being eligible, offers himself for reappointment.

**Special Business:-****3. Re-appointment of Mr. Dhanvant Hari Yeola as Executive Director (Technical)**

**To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:**

“**RESOLVED THAT** pursuant to Section 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] the consent of the Company be and is hereby accorded for the for the pre-termination of Mr. Dhanvant Yeola’s existing term on 30 September 2021 and re-appointment and terms of remuneration of Mr. Dhanvant Hari Yeola (DIN 0008325170) as Executive Director (Technical) of the Company for the period of three years from 1 October 2021 to 30 September 2024 and to his receiving remuneration of Rs.37,98,000/- per annum and upon the terms and conditions set out in the explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors is hereby authorised to give increment/ bonus to the Executive Director (Technical) such that total remuneration including increment and bonus shall not be more than Rs.70 lacs per annum.

The remuneration aforesaid will be exclusive of:

- (i) Contribution to Provident Fund.
- (ii) Gratuity payable in accordance with the rules and regulations of the company.

**RESOLVED FURTHER THAT** the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds and matters as may be necessary to give effect to the aforesaid resolution, including, but not limited to filing of necessary statutory documents with concerned Registrar of companies and other statutory authorities as applicable.”

**4. Confirmation of appointment of Mr. Deepak Shetty as Independent Director**

**To consider and if thought fit, to pass the following resolution as Ordinary Resolution:**

“**RESOLVED** that pursuant to the Section 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, the appointment of Mr. Deepak Shetty (DIN: 07089315) as Independent Director be and is hereby confirmed with effect from 3 December 2020 to hold office for five consecutive years for a term up to 2 December 2025”

**5. Increase in Authorised Share Capital and modification of Capital clause V of Memorandum of Association:**

**To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:**

**“RESOLVED THAT** pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment or replacement thereof) **(the "Companies Act")**, the existing authorised capital of the Company of Rs.240,00,00,000 (Rupees Two Hundred and Forty Crores only) divided into 24,00,00,000 (twenty four crores) equity shares of Rs.10 (Rupees ten) each be and is hereby increased to Rs.300,00,00,000 (Rupees Three Hundred Crores only) divided into 30,00,00,000 ( Thirty Crores ) equity shares of Rs. 10 (Rupees ten) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Clause V of Memorandum of Association be altered by substituting Clause V as under:

V. The Authorized Share Capital of the Company is Rs.300,00,00,000 (Rupees Three Hundred Crores only) divided into 30,00,00,000 ( Thirty Crores ) equity shares of Rs. 10 (Rupees ten) each.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board may nominate any person, an Allotment Committee already constituted, or a duly constituted committee and grant such person or committee powers including to take such steps and to do all such acts, deeds, or things and resolve any doubts or questions that may arise in this regard and do all necessary filings with the Registrar of Companies."

## 6. Preferential Issue of Equity Shares

**To consider and, if thought fit, to pass the following resolution as Special Resolutions:**

**“RESOLVED THAT** pursuant to the provisions of sections 62(1) (c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) **(the "Companies Act")** and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, and in accordance with the provisions of FEMA, 1999 and the applicable rules, regulations, guidelines and clarifications thereon issued by the Reserve Bank of India **("RBI")**, Government of India **("GOI")** or any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities and institutions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the authorities / authorities while granting such approvals, permissions, consents or sanctions, and which may be agreed to by the Board of Directors of the Company **(the "Board"**, which term shall be deemed to include any Committee or any person which the Board may nominate/ to exercise its powers, including the powers conferred under this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, by way of preferential issue, in one or more tranche(s), to the person set out in the table below, up to 5,00,00,000 (Five Crores) equity shares of nominal face value of Rs.10 (Rupees ten) each at par, ranking pari passu in all respects, including as to dividend, with the then existing equity shares of the Company, on such other terms and conditions, as the Board may deem appropriate in its absolute discretion:

Name of the Party	Number of Equity Shares
Perpetual Technologies GmbH	5,00,00,000

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard to the offering, issue and allotment of the Equity Shares of the Company and the utilisation of the proceeds of the issue of the Equity Shares , and to prescribe the forms of applications, enter into any agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approval, permissions, sanctions which may be necessary or desirable as they may deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept any amendments, modifications, variations, alterations as the GOI, RBI or any other regulatory authority may stipulate in this respect."

**7. Ratification of the remuneration of Cost Auditor**

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes as approved by the Board of Directors, to be paid to the Cost Auditor – Pradnya Chandorkar, Cost Accountant (Membership No. 23164) appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified.”

**8. Increase in the borrowing power of the Company**

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

**“RESOLVED THAT** pursuant to section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“Board”** which term shall include any committee thereof), to borrow from time to time any sum of moneys on such terms and conditions with or without security as the Board may think fit (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) which together with the money already borrowed by the Company (if any), may exceed the aggregate of the paid up share capital and free reserves (that is, such reserves which are available for distribution as dividend), provided that the total amount along with already borrowed and outstanding, if any shall not exceed Rs.750 crore .

**RESOLVED FURTHER that** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required.”

**9. Creation of Charge / Mortgage on Properties / Assets of the Company**

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

**“RESOLVED THAT** pursuant to section 180(1)(a) of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder, and all other applicable provisions, if any, or any other law for the time being in force [including any statutory modification(s) or re-enactment thereof for the time being in force] consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“Board”** which term shall include any committee thereof), for creation of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct in favour of financial institutions, investment institutions, investors and their subsidiaries, banks, mutual funds, trusts, trustees for the holders of debentures / bonds and/or other instruments and any other persons in India / abroad (hereinafter referred to as the **“Lenders/Lending Agencies”**) which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 750 crores.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (including any committee thereof) be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to finalize with the Lenders/Lending Agencies / trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary, proper, expedient or desirable for giving effect to this resolution.

#### 10. Shifting of registered office of the Company from Mumbai to Nashik

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

“**RESOLVED THAT** Pursuant to Provisions of section 12 and any other provisions of the Companies Act ,2013 and Companies (Incorporation) Rules, 2014 and any other applicable provisions if any, the Registered office of the company be and is hereby shifted from its present location at Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor, Sahar Road, Off Western Express Highway, Andheri (East), Mumbai 400 069 to Gut No.265/1- 266, Village – Avankhed, Taluka – Dindori, District – Nashik, Pin – 422 202.

**RESOLVED FURTHER THAT**, the required e-forms be uploaded with Ministry of Company Affairs / Registrar of Companies.”

#### 11. Commission to Non- Executive Directors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors, including Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each of such Non-Executive Directors for each financial year ( commencing from calculated profit of FY 2020-21 to be distributed in FY 2021-22) and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors.”

**By the Order of the Board of Directors  
For Polygenta Technologies Limited**

Paresh Damania  
**Company Secretary**

Place: Mumbai  
Date: 30 July 2021

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts relating to the business stated under Item No. 3 to 11 is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the Ministry of company Affairs (“MCA”) has vide its circular dated 13 January 2021 read together with circulars dated 8 April 2020, 13 April 2020 and 5 May 2020 (“MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company at Kaledonia (HDIL) Building, Unit No.1B, 5th Floor, Sahar Road, Off western Express Highway, Mumbai: 400069.
3. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual report 2020-21 will also be available at on the Company’s website [www.polygenta.com](http://www.polygenta.com).
4. Since this AGM is being held through VC / OVAM, the facility for appointment of proxy by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this notice.
5. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 14 September 2021 through email to [companysecretary@polygenta.com](mailto:companysecretary@polygenta.com). The same will be replied by the company suitably.
7. The register of members and the share transfer books of the Company will remain closed from Wednesday, 15 September 2021 to Tuesday, 21 September 2021 (both days inclusive) for annual closing.
8. Members are requested to notify immediately any change in their addresses, email address, bank particulars etc.

**9. Voting through Electronic Means:**

In compliance with section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility which will enable the members to cast their vote electronically. The facility of casting the votes by the Members using an electronic voting system prior to AGM and during the AGM will be provided by Link Intime India Private Limited (“LI IPL”).

The instructions for members for voting electronically are as under:

- (i) The voting period begins on Saturday, 18 September 2021 at 9.00 a.m. and ends on Monday, 20 September 2021 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 14 September 2021 may cast their vote electronically.
- (ii) Shareholders who have already voted prior to the meeting date may also attend / participate in the AGM through VC / OVAM but would not be entitled to cast their vote again.



(iii) Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>

Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>▶ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: - <ol style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above.</li> </ul> </li> </ol> </li> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click “confirm” (Your password is now generated).</li> <li>2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter User ID, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022-4918 6000.

#### 10. Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

#### 11. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id : [companysecretary@polygenta.com](mailto:companysecretary@polygenta.com).
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

#### 12. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- i. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

- iii. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- iv. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

### **13. Guidelines to attend the AGM proceedings**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instruction as under:

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

**14.** Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members.

**15.** Ms. Shailashri Bhaskar, Practising Company Secretary (Membership No. FCS-5778 and CP No. 5092) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three days from the conclusion of the e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes in favour or against, if any, forthwith to the Chairperson of the Company.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.****Item NO. 3****Re-appointment of Mr. Dhanvant Hari Yeola as Executive Director (Technical)**

Mr. Dhanvant Yeola was appointed as the Executive Director w.e.f. 8 February 2019 for a period of three years. His term comes to an end on 7 February 2022. The Board proposed at its meeting to pre-terminate his existing term upto 30 September 2021 and to re-appoint him for a period of three years w.e.f. 1 October 2021 with fresh terms and conditions.

The principal terms and conditions of Mr. Yeola's appointment as Executive Director (Technical) are as follows:

**1. Terms and Terminations:**

1.1 From 1 October 2021 to 30 September 2024

1.2 Either the Company or Mr. Yeola may terminate this Agreement by serving a written notice of termination to the other party with a notice period of at least 90 (ninety) days.

**2. Duties and Powers:**

As the Executive Director (Technical), Mr. Yeola will be responsible for the Technical Matters of the Company. The Executive Director (Technical) shall devote his whole time and attention to the business of the company and perform such duties as may be entrusted to him by the Board / Managing Director & CEO from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interest of the business of the Company.

**3. Remuneration**

3.1 The Executive Director (Technical) will be entitled to the following remuneration subject to TDS at applicable rates:

Rs.37,98,000/- per annum

Board of Directors is empowered to give increment / bonus to the Executive Director (Technical) such that the total remuneration including increment and bonus shall not be more than Rs. 70 lacs per annum.

The remuneration aforesaid will be exclusive of:

(i) Contribution to Provident Fund.

(ii) Gratuity payable in accordance with the rules and regulations of the company.

3.2 The Company's effective capital is Rs.69.99 Crores as on 31 March 2021. The prescribed remuneration for companies having effective capital of between Rs. 5 Crores and Rs.100 Crores is Rs. 84 lacs per annum. The remuneration as stated above does not exceed the remuneration as prescribed under Schedule V to the Companies Act, 2013. Schedule V to the Companies Act, 2013 requires approval of the Shareholders by Ordinary Resolution, in case the proposed remuneration does not exceed prescribed remuneration. Therefore, as required under Schedule V to the Companies Act, 2013, the Company seeks members' approval by ordinary resolution.

4. All HR Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Director (Technical), unless specifically provided otherwise.

As required under Schedule V to Companies Act, 2013, the following information is given:

## 1. GENERAL INFORMATION

1	Nature of Industry	Manufacturing of sustainable Polyester Filament Yarn / Chips
2	Date or expected date of commencement of Technical production	30th September, 1994
3	In case of new companies, expected date of commencement of activities as per project approved by financial institution	NotApplicable
4	Financial Performance based on given indicators	EBIDTA before Extraordinary Items for the last three years : (Rs. Lacs) Year Ended 31.03.2021 : Positive: Rs. 179.0 Million Year Ended 31.03.2020 : Positive: Rs. 127.2 Million Year Ended 31.03.2019 : Negative: Rs. 56.6 Million
5	Foreign Investments or collaborations, if any	The Holding Company, PerPETual Technologies GmbH ( PTG) holds 22,93,29,911 Equity Shares of Polygenta of FV of Rs.10/- each. Also, PTG has extended External Commercial Borrowings (ECB). (ECBs were assigned from Performance Recycling Limited earlier known as Perpetual Global Technologies Limited).As on 31 March 2021, the outstanding ECB Principal payable aggregated to Rs. 3,040.2 million.

## 2. INFORMATION ABOUT THE APPOINTEE

NO.	Particulars	Dhanvant Hari Yeola
1	Background details	Mr. Yeola, 49 Years, has over twenty six years of experience.
2	Past Remuneration	(Last three Years) Year Ended 31.03.2021 : Rs. 2.8 Million Year Ended 31.03.2020 : Rs. 2.8 Million Year Ended 31.03.2019 : Rs. 1.9 Million
3	Recognition or awards	None
4	Job Profile and his suitability	Mr. Yeola, 49 Years, has over twenty six years of experience.  From April 2008, Mr. Dhanvant Hari Yeola is working with Polygenta Technologies Limited and before being appointed as Executive Director on 8th February 2019 in his first term, he was Chief Technical Officer (CTO). Mr. Yeola is responsible for the manufacturing and Engineering / Technical activities of the Company.
5	Remuneration proposed	Rs. 37,98,000/- per annum  Board of Directors is empowered to give increment / bonus to the Executive Director (Technical) such that the total remuneration including increment and bonus shall not be more than Rs.70 lacs per annum.  The remuneration aforesaid will be exclusive of Company's Contribution to Provident Fund and Gratuity payable in accordance with the rules and regulations of the company.

6	Comparative Remuneration Profile with respect to Industry, size of the Company, profile of the position and person	Rs.50 Lacs to Rs. 80 Lacs p.a.
7	Pecuniary Relationship directly or indirectly with the Company or relationship with other managerial personnel	Before being appointed as Executive Directors of the Company as on 8th February 2019 in his first term, Mr. Yeola was working as a Chief Technical Officer (CTO) of the Company. He was drawing remuneration as CTO.  Mr. Yeola is not related to any other managerial personnel of the Company.

### 3. OTHER INFORMATION

NO.	PARTICULARS	
1	Reasons for loss or inadequate profits	Due to sub-optimal capacity of the Plant as compared to Industry Standards, the Company's profit is not adequate . However, the Company has earned profit of Rs.45 million after many years of incurring losses.
2	Steps taken or proposed to be taken for improvement	The Company is setting up two 100MT/per day flakes to rPET Chips Plants on additional parcel of land opposite the existing site at Avankhed, Nashik.
3	Expected increase in productivity and profits in measurable terms	The production will increase from 35 MT/day to 235 MT/day.  The Company expects that the commercial production from the new plants will commence from FY 2023-24 onwards and the profit will increase substantially from that year. Till FY 2022-23 , the Company expects to break-even at PBT level or make minimal profit

Except Mr. Yeola, who may be considered to be interested in the resolution to the extent of his appointment, none of the other Directors and Key Managerial Personnel of the Company and their relatives may be in any way considered to be concerned or interested in this resolution. Mr. Yeola is not related to any other Director OR KMP of the Company.

The Board of Directors of the Company accordingly recommends the Ordinary resolutions as set out in Item No.3 of this Notice for approval.

#### Item no.4

#### Confirmation of Appointment of Mr. Deepak Shetty as Independent Director

Mr. Deepak Shetty was appointed as the Independent Director of the Company on 3 December 2020 by the Board of Directors subject to confirmation of Shareholders at the General Meeting. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (five) consecutive years on the board of a Company. Also, under explanation to section 152(6) (e) of the Companies Act, 2013 an Independent director is not liable to retire by rotation.

Mr. Deepak Shetty, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 2 December 2025. In the opinion of the Board, Mr. Deepak Shetty fulfils the conditions laid down for the appointment of Independent Director under the Companies Act, 2013.

Except Mr. Deepak Shetty, who is interested in the resolution to the extent of his own appointment, none of the other Directors / KMP or their relatives is concerned or interested in this resolution.



The Board recommends the resolution for Shareholders' approval.

The following further information is furnished for information of the members.

Mr. Deepak Shetty, aged 64 years, is a former senior career civil servant of the Government of India. He was a direct recruit member of the 1980 batch of the Indian Revenue Service (Customs and Central Excise). He has had multiple and diverse official assignments in his career spanning 36-1/4 years from September, 1980 to end 2016 when he eventually retired on superannuation as Secretary to the Government of India - the highest rank in the civil service in India.

He is a Non-Executive Independent Director in two other companies. He is also non-executive director –cum-trustee in an organisation based in London. Apart from being Director of Polygenta Technologies Limited, he is a member of the following committees of Polygenta – NR Committee & Risk Management Committee.

He does not hold by himself or for any other person on a beneficial basis, any share in the Company. He is not related to any other director of the Company.

#### **Item no.5**

##### **Increase in Authorised Share Capital**

1. The present authorised share capital of the Company is Rs.240,00,00,000 (Rupees two hundred and forty crores) divided into 24,00,00,000 (twenty four crores) equity shares of Rs.10 (Rupees ten) each.
2. The Company proposes to issue equity shares to Perpetual Technologies GmbH, the holding Company of Polygenta.
3. Accordingly, the authorised share capital must be increased so that the Company can issue equity shares.
4. In accordance with the provision of the Companies Act, 2013 approval of the members is required to increase the authorised share capital.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

#### **Item no.6**

##### **Preferential Issue of Equity Shares**

The Board of Directors has decided to issue additional Equity Shares to its holding company - Perpetual Technologies GmbH. The Special Resolution has been proposed under the provision of section 62(1) (c) of the Companies Act, 2013 ("the Companies Act").

The disclosures pursuant to the provisions of Rule 13(2)(d) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

##### **1. Object of the Issue:**

The object of the preferential issue is to mobilize funding for the setting up two 100MT/per day flakes to rPET Chips Plants on additional parcel of land opposite the existing site at Avankhed, Nashik.

##### **2. The Total number of shares and other securities to be issued**

Upto 5,00,00,000 Equity Shares

##### **3. The price or price band within which the allotment is proposed**

At par: Rs. 10/- per equity share

##### **4. Basis on which the price has been arrived at along with report of the registered valuer**

The registered valuer has arrived at price of Re.1/- per equity share. However, since the Company cannot issue shares at a discount, the equity shares are proposed to be issued at Face Value of Rs.10/- per share. The Valuation report of registered valuer is available for inspection at the registered office of the Company.

**5. Relevant date with reference to which the price has been arrived at**

31 March 2021

**6. The class or classes of persons to whom the allotment is proposed to be made**

The proposed allottee is Perpetual Technologies GmbH. It is Polygenta's holding company.

**7. Intention of promoters, directors or key managerial personnel to subscribe to the offer**

The entire issue of equity shares is being offered to Perpetual Technologies GmbH i.e. Polygenta's holding company.

**8. The Proposed Time within which allotment will be completed:**

The allotment of the equity shares is expected to be completed within one year of the date of passing of the special resolution.

**9. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them**

The proposed allottee for Equity Shares pursuant to the special resolution of the notice and the percentage of expanded capital to be held by it after the proposed allotment of the said Equity Shares as per the said resolution are as under:

Name of the Proposed Allottee	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	Number	%	Number	%
*PerPETual Technologies GmbH	22,93,29,911	97.1%	27,93,29,911	97.6%

**10. The change in the control, if any, in the Company that would occur consequent to the preferential offer**

None

**11. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as the price**

Eight crore equity shares at Rs 10/ share

**12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

Not Applicable

**13. The pre issue and post issue shareholding pattern of the Company**

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% age of shareholding	No. of Shares held	% age of shareholding
<b>A</b>	<b>Promoters' holding</b>				
1	Indian				
	- Individual	-	-	-	-
	- Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoters -Perpetual Technologies GmbH	22,93,29,911	97.1%	27,93,29,911	97.6%
	<b>Sub Total(A)</b>	<b>22,93,29,911</b>	<b>97.1%</b>	<b>27,93,29,911</b>	<b>97.6%</b>
<b>B</b>	<b>Non-Promoters' holding:</b>				
1	Institutional Investors	31,46,594	1.3%	31,46,594	1.1%
2	Non-Institution:				
	- Private Corporate	796456	0.3%	796456	0.3%
	- Directors and Relatives	1	0.0%	1	0.0%
	- Indian Public	2,68,299	0.1%	2,68,299	0.1%
	- Others (Including NRIs)	26,65,283	1.1%	26,65,283	0.9%
	<b>Sub Total(B)</b>	<b>68,76,633</b>	<b>2.9%</b>	<b>68,76,633</b>	<b>2.4%</b>
	<b>GRAND TOTAL</b>	<b>23,62,06,544</b>	<b>100.0%</b>	<b>28,62,06,544</b>	<b>100.0%</b>

The Board of Directors accordingly recommends the resolutions for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in any way in the resolution proposed to be passed.

#### **Item No.7**

##### **Ratification of the remuneration of Cost Auditor**

The Board of Directors has on recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors- Pradnya Chandorkar, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022 at a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as recommended by the Audit committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31 March 2022 by passing Ordinary Resolution.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

#### **Item No.8**

##### **Increase in the Borrowing Powers of the Company**

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

The members of the Company at their Meeting held on 17 July 2014 had approved by way of Special Resolution that the total amount of borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 500 Crores (Rupees five hundred crores).

As discussed earlier in one of the agenda item, the Company is setting up two 100MT/per day flakes to rPET Chips Plants. The cost of the project will be financed by combination of equity and debt financing. The borrowings of the Company including the present borrowings is likely to exceed Rs.500 Crores. Therefore, members' approval is sought for increase in the borrowing powers upto Rs.750 Crores.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions proposed to be passed..

#### **Item No.9**

##### **Creation of Charge / Mortgage on Properties / Assets of the Company**

The Company will need to create charge on its assets to secure the repayment of the proposed borrowings as discussed in Agenda Item No.8 above. The creation of mortgage/charge on the properties / assets of the Company amounts to disposing off the whole or substantially the whole of the undertaking of the Company, which need approval of the members u/s 180(1)(a) of the Companies Act, 2013 . Through Postal Ballot on 19 September 2014, the members of the Company had passed resolution u/s 180(1)(a) of the Companies Act, 2013 authorising the Board to create charge / mortgage on the properties / assets of the Company upto Rs.500 Crores.

Now, it is proposed that the Board be authorized to create charge / mortgage on the properties / assets of the Company upto Rs.750 Crores.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolutions proposed to be passed.

**Item No.10****Shifting of registered office of the Company from Mumbai to Nashik**

As per provision of section 12 of the Companies Act, 2013 read with rule 27 of the Companies (Incorporation) Rules, 2014 relating to be procedure to be followed for, shifting of registered office of Company outside the local limits of any city or town requires approval of the members by Special Resolution.

The Registered office of the Company is presently situated in Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor, Sahar Road, Off Western Express Highway, Andheri (East), Mumbai 400 069. The Board of Directors of the company at its meeting held on 30 July 2021 decided that the registered office of the Company is to be shifted to its Factory Office at Gut No.265/1- 266, Village – Avankhed, Taluka – Dindori, District – Nashik, Pin – 422 202. The proposed registered office of the Company is at place outside the local limits of the town where the company's registered office is presently situated but is situated within the same State. The entire operations of the Company is now centralised at its Factory location at Nashik. With a view to improve operational efficiency, the Board of Directors considered and subject to approval of members, approved the proposal of shifting registered office to the new address.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

**Item No.11****Commission to Non- Executive Directors**

With the enhanced Corporate Governance requirements under the Act, the role and responsibilities of the Board, particularly Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight. However, upto FY 2019-20, as the Company was incurring losses, the Company could not pay any commission, although it was considering the said payment for quite some time. In view of the above, the N R Committee and the Board of Directors at their respective meetings held on 26 February 2021 recommended and approved payment of commission not exceeding 1% of the net profits of the Company on the profits of Financial Year 2020-21 and onwards, in terms of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time. This commission will be distributed amongst all or some of the Non-Executive Directors, taking into consideration parameters such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board from time to time.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested except the Independent Directors, to the extent of the commission that may be received by them.

By Order of the Board of Directors  
For **Polygenta Technologies Limited**

Paresh Damania  
**Company Secretary**

Place: Mumbai  
Date: 30 July 2021

**Corporate Identification Number (CIN) - L17120MH1981PLC025388**

**Registered Office:** Kaledonia (HDIL) Building, Unit No. 1B, 5<sup>th</sup> Floor, Sahar Road,  
off western Express Highway, Andheri East, Mumbai: 400069,

Tel: +91 22 6215 4087 Fax: +91 22 6215 4003,

E-mail: [companysecretary@polygenta.com](mailto:companysecretary@polygenta.com)

Website: <http://www.polygenta.com>

## DIRECTORS' REPORT

To,  
The Members of  
**Polygenta Technologies Limited,**

Your Directors present to you the **Thirty Ninth** Annual Report of **Polygenta Technologies Limited** (the "Company") and Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2021.

### 1. FINANCIAL RESULTS

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2021 (₹ in Millions)	31 <sup>st</sup> March 2020 (₹ in Millions)
Revenue from Operations	1290.9	1151.8
<b>Profit/(Loss) before</b>		
<b>Depreciation and Interest</b>	<b>179.0</b>	<b>127.2</b>
Depreciation	123.8	159.5
Borrowing Cost	10.2	14.0
<b>Profit/(Loss) before</b>		
<b>Exceptional Items and tax</b>	<b>45.0</b>	<b>(46.3)</b>
Exceptional Items	-	-
<b>Profit/(Loss) before/after tax</b>	<b>45.0</b>	<b>(46.3)</b>
Balance Loss b/f from previous year	(4,203.6)	(4,157.3)
<b>Balance of Loss to be carried to Balance Sheet</b>	<b>(4,158.6)</b>	<b>(4,203.6)</b>

### STATE OF COMPANY AFFAIRS

The Directors take pleasure to inform you that after a long period of time, your Company has, during the financial year 2020-21, earned profit after tax. This is in spite of the temporary shut down of the Plant during the period 23 March 2020 to 14 May 2020 in accordance with the lockdown and various restrictions announced by the Government of India in order to contain the spread of COVID-19 outbreak.

COVID-19 did pose some challenges for our operations and cash management, as expected, however the impact was only temporary. While, the Company had healthy order book, the dispatches had to be postponed (due to the nation-wide lockdown) which had bearing on our operational performance during the initial few months of the financial year.

During this period, the Company was in constant touch with its customers and given the demand for its high quality sustainable product and the strong trusted customer partnerships, it did not lose any of its customers.

The demand for the company's high quality sustainable products is significant and thus normalcy was attained almost immediately on restart of

operations which is evident from the fact that the Company achieved the best performance in 2020-2021 in spite of wide-spread COVID-19 situation in India and outside India.

The debottlenecking of the plant during the October and November 2019 increased the operating capacity from about 27 TPD to 34 TPD. This increase in the operating capacity significantly helped in improving our operational efficiency, product performance and thus the profitability. The Company is gradually becoming the preferred choice for more and more global brands for the supply of recycled PET chips and yarns. As a result of the above, during the financial year 2020-21, the sales in the premium segment increased by almost 21%, i.e. from about 6987 MT in the previous year to 8789 MT in the current year under review.

During the year under review, your Company earned export revenues aggregating Rs. 733.3 million (previous year Rs. 634.2 million) from export of polyester filament yarn ("PFY") and rPET chips.

### Status of Mega Project:

The Company's factory at Nashik had received Eligibility Certificate for availing benefits under the Mega Project Scheme ("Scheme") of the Government of Maharashtra ("GOM") which was for a period of 10 years starting from June 2009 to June 2019. Under the Scheme the Company was eligible for certain subsidies / incentives in the form of exemptions from payment of prescribed taxes and duties.

As the Company could avail only a portion of the total eligible subsidies/ incentives under the Scheme during the above referred eligibility period, it made an application to the concerned authorities requesting for extension of this eligibility period for an additional period of 5 years. During July 2021, the Company has received the Offer Letter from Additional Chief Secretary (High Power Committee), GOM stating that GOM has agreed to extend the eligibility period by 5 years. Accordingly, we have submitted the application the Department of Industries to issue the final addenda to the Eligibility Certificate incorporating this extension.

### Polygenta's response to COVID -19

In order to ensure the safety of employees, the company has been taking various necessary precautions which among other things include:

- Regular sanitisation and thermal screening
- Restricted access of factory to outsiders
- Covid testing of employees

- Vaccination drives
- Encouraging work from home wherever possible.

Additionally, the Company has also taken the medical and term insurance policies to provide financial support to employees at the time of hospitalisation/ unfortunate events of death.

### **Health, Safety and Environment (“HSE”) and Implementation of Key Process**

Polygenta Technologies Limited is committed to ensure a Safe, Healthy and Environment-friendly workplace to its employees, society at large and all the interested parties who are directly or indirectly involved in the operations and endeavour to comply with all the requisite obligations.

The organization follows well-defined safety management practices which includes (a) Permit to work (b) Management of change (c) Learning from incidences (d) Safe place safe visit (e) Safety Induction to new joiners including casuals (f) Periodic safety trainings and (g) on the spot quiz competition related to safety culture. The organization is certified to ISO 9001: 2015, ISO 14001:2015 and ISO 45001:2018 standards.

The 50th National Safety Week was celebrated at the Nashik site with great enthusiasm and participation at all levels by the employees. The theme for the year 2021 was ‘LEARN FROM DISASTER AND PREPARE FOR A SAFER FUTURE’. Objective of the safety is to create awareness about the importance of all guidelines like safety, workplace safety, the safety of human health and environment.

Various competitions & programmes were organised during the safety week like:- i) DISASTER INVESTIGATION VIDEO SHOW ii) COVID-19 AWARENESS TRAINING BY FMO iii) ON THE SPOT SAFETY SLOGAN COMPETITION iv) HEALTH TALK v) SAFE AND CLEAN DEPARTMENT COMPETITION vi) CHALTA BOLTA. A great sense of involvement and the moral responsibility towards safety was seen amongst the employees. To motivate employees, prizes were also awarded to the winners of all the competitions.

The Company believes in environment protection and maintaining ecological balances. There is no discharge of effluents. The process water is treated in the in-house effluent treatment plant to ensure that the treated water meets the prescribed norms of the Maharashtra Pollution Control Board. The treated water is used for gardening purposes.

The company has a valid MPCB consent and the Company adheres to the applicable standards for air emissions, wastewater effluent treatment, and noise pollution as prescribed by Maharashtra Pollution Control Board.

## **2. DIVIDEND**

The Company is unable to declare a dividend for the financial year ended 31 March 2021 due to accumulated losses.

## **3. FINANCIAL REVIEW:**

During the year Performance Recycling Limited (earlier known as PerPETual Global Technologies Limited (“PRL”)) has transferred all the shares of the Company held by it to Perpetual Technologies GmbH (“PTG”), a company incorporated in Germany. Presently PRL is the majority shareholder of PTG. During the year, PRL has also assigned to PTG, all the ECBs that it had provided to the Company. Both PRL and PTG have given extraordinary support by waiving off the interest on the ECBs on time to time basis and also extending out the repayment of ECBs. As on 31 March 2021, the outstanding ECB Principal payable aggregated to Rs. 3,040.2 million under the ECB loan facility.

## **4. DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April 2017, with a transition date of 1 April 2016.

Your Company has put in place adequate internal financial controls with reference to the financial statements and has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013, to the extent applicable.

During the year under review, the Company has internally carried out a review of internal financial controls and based on the internal report, the Board is of the view that there are adequate internal financial controls over financial reporting which are operating effectively as on 31 March 2021.

## **5. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE**

The Company has received share application money

towards preferential share issue of 8 crore equity shares at par to Perpetual Technologies GmbH and the said shares were allotted on 5 July 2021. The funds received will be utilised to partially finance the setting up of 2 X 100MT/per day flakes to rPET Chips Plants on land opposite to the existing site at Avankhed, Nashik.

#### **6. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report. **(Annexure I)**

#### **7. DIRECTORS AND KEY MANAGERIAL PERSONS**

Nomination of Mr. Ramesh Alur as a Nominee Director on Board of Polygenta was withdrawn by Ventureast Life fund III with effect from 27 May 2020.

Mr. Makarand Kulkarni was appointed as Chief Executive Officer of the Company w.e.f. 1 July 2020. Mr. Rakesh Gaikwad, CFO was re-designated as Sr. Manager – Finance and Taxation w.e.f. 1 July 2020. Mr. Chetan Gandhi was appointed as Chief Financial Officer of the Company w.e.f. 1 July 2020.

Mr. Deepak Shetty was appointed as Independent Director of the Company w.e.f. 3 December 2020 for a period of five years subject to the approval of the members at the Annual General Meeting (“AGM”).

Mr. Dhanvant Yeola retires by rotation and being eligible offers himself for re-appointment. He was appointed as an Executive Director – Technical w.e.f. 8 February 2019 for a period of three years. His term comes to an end on 7 February 2022. The members are requested to re-appoint him as Executive Director – Technical for a period of three years.

As at the year end, Mr. Dhanvant Yeola - Executive Director, Mr. Makarand Kulkarni – Chief Executive Officer, Mr. Paresh Damania – Company Secretary and Mr. Chetan Gandhi – Chief Financial Officer were the Key Managerial Personnel of the Company.

#### **8. DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

The Company has received declarations from all three Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013,

read with the Schedules and rules issued thereunder. Further, as required under rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 all the independent directors have declared that they are compliant with sub-rules (1) and (2) of rule 6 thereof and have also passed the proficiency self-assessment test as required under sub-rule (4) of rule 6 of the said rules.

The Independent Directors have complied with the code for independent Directors prescribed in Schedule IV to the Act.

#### **9. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration (N&R) Committee has formulated a detailed Nomination Remuneration policy which, inter alia, deals with the manner of selection of Directors and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under section 178(3) of the Companies Act, 2013. The highlights of the Policy are given as ‘**Annexure II**’ forming part of this Report.

#### **10. BOARD TRAINING AND INDUCTION**

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia, explains the role, function, duties and responsibilities expected of the Director.

The Directors are also apprised about the various compliances under Companies Act, 2013 and Code of Conduct of Independent Directors as per the Companies Act, 2013 and a confirmation is taken from them for compliance therewith.

By way of introduction to the Company, the Directors are presented the last three years' Annual Reports. Further, with a view to familiarise the new Directors with the Company's operations, when the business plan presentation is made to the Board, the familiarisation is also suitably combined therewith.

The CEO/Executive Director also has one-to-one discussions with the newly appointed Directors, and they attend an orientation at the Company's factory. The above initiatives help the Directors to understand the Company, its business, the regulatory framework in which the company operates and equips the Directors to fulfil effectively their role as Directors of the Company.

#### **11. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors Responsibility Statement referred to in

clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 is given in 'Annexure III' forming part of this Report.

## 12. NUMBER OF MEETING OF THE BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors have met five times during the year ended 31 March, 2021. The meetings were held on 30 June 2020, 10 August 2020, 3 December 2020, 25 February 2021 and 26 February 2021.

## 13. DIRECTORS EVALUATION

Pursuant to the provisions of the Companies Act, 2013 during the year, the Board has carried out an annual evaluation of its own Directors individually (including Chairperson). The performance of the Individual Directors was evaluated by the Board seeking input from all the other Directors. The Criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee like leadership and stewardship abilities, contribution to clearly define corporate objectives and plans, meaningful and constructive contribution and inputs for effective meeting etc.

The Board has carried out an annual performance evaluation of its own performance and the Directors individually. The Evaluation was done on the criteria and framework recommended by the Nomination and Remuneration Committee and adopted by the Board. During the year under report, the Independent Directors met on 3 December 2020, inter-alia, to discuss:

- Performance Evaluation of Non-Independent Directors and Board of Directors as a whole.
- Performance Evaluation of the Chairperson of the Company.
- Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

The Board has also carried out an annual performance evaluation of its committees.

## 14. PARTICULARS OF LOANS AND GUARANTEES OR INVESTMENTS

Because there were no loans, guarantees, or investments given by the Company during the year, the Company is not required to comply with the provisions of section 186 of the Companies Act, 2013.

## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A list of the transactions is referred to in Note No. 38 to the Financial Statements.

There are no new contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 or any arm's length transactions under the third proviso thereto, which are required to be disclosed in Form No. AOC-2.

The Company's Related Party Transaction Policy, as approved by the Board, is uploaded on the Company's website at [http://www.polygenta.com/company\\_policies.html](http://www.polygenta.com/company_policies.html)

## 16. RISK MANAGEMENT POLICY

The Company has developed a Risk Management Policy. It seeks to identify risks inherent in the Company's business operations and provide guidelines to define, measure, report, control and mitigate the identified risks. The objective of the Company's Risk Management Policy is to create and protect shareholder value by prudently minimising threats or losses, and identifying and maximising opportunities. The policy endeavours to provide a practical enterprise-wide risk management framework that fosters employees integrating risk management into their everyday work.

## 17. VIGIL MECHANISM (WHISTLE BLOWER) POLICY

The Company is committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. Accordingly, the Company has adopted a Vigil Mechanism Policy. The objective of the Policy is to enable any employee/director who observes a violation of the Polygenta Code of Conduct OR unethical practice (whether or not a violation of law) to approach the Vigil Officer without necessarily informing their line managers and without revealing their identity.

### SCOPE OF THE POLICY

- (a) The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.



- (b) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Vigil Officer or the Chairman of the Audit Committee or the Investigators.
- (c) Protected Disclosure will be appropriately dealt with by the Vigil Officer or the Chairman of the Audit Committee, as the case may be.

## 18. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to form a Corporate Social Responsibility Committee, as it does not satisfy the criteria as mentioned in Section 135 of the Companies Act, 2013.

## 19. COST RECORDS

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.

## 20. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the cost records maintained by the Company relating to manufacturing of Textiles and Plastic & Polymers at its plant located at Avankhed (District Nashik) is required to be audited. This requirement has arisen from FY 2020-21 as the turnover of these products has exceeded Rs.100 Crores for the year ended 31 March 2020.

The Board of Directors of the Company has on recommendation of the Audit committee appointed Pradnya Chandorkar, to audit the cost accounts for the FY 2021-22 at a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes. As required under the Companies Act, 2013, the remuneration of cost auditors is required to be ratified by the members. Accordingly, a resolution seeking ratification of Members for the remuneration payable to Pradnya Chandorkar, Cost Auditors is included as an item of the Notice convening the AGM.

The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company for the financial year ending 31 March 2022.

## 21. SECRETARIAL AUDIT REPORT :

A Secretarial Audit Report given by A. Sekar, Practicing Company Secretary at Mumbai is

annexed as 'Annexure IV', forming part of this report.

There are no adverse remarks in Secretarial Audit Report.

## 22. STATUTORY AUDITORS & AUDITORS' REPORT

Bagaria & Co. LLP was appointed as Statutory Auditors at the AGM held on 22 September, 2017 for the period of 5 Years from AGM 2017 to AGM 2022.

The comments of the Auditors in Auditors Report as regards material uncertainty related to going concern read with Note No.33 to the Financial Statements is self-explanatory.

## 23. FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year.

## 24. INSURANCE AND D&O POLICY

The Company has taken adequate insurance for all of its assets. The Company has also taken D&O Policy for adequate amount for its Directors and Senior Managerial Personnel.

## 25. Delisting from BSE

Your Company's equity shares were delisted w.e.f. 30 April 2020 from 'The BSE Limited', the only Stock Exchange in which its equity shares were listed. The Exit offer by Acquirer PRL i.e. the major shareholder of the Company' holding company PTG to acquire the equity shares at the rate of Re.1/- per equity share will close on 29 April 2022.

## 26. PARTICULARS OF REMUNERATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of remuneration as per rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as 'Annexure V' forming part of this Report.

## 27. COMPARISON OF DIRECTORS REMUNERATION WITH MEDIAN EMPLOYEE REMUNERATION

As per rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and other particulars are annexed as 'Annexure VI' forming part of this Report.

**28. INDUSTRIAL RELATIONS**

Cordial industrial relations continued to prevail throughout the financial year under review.

**29. ANNUAL RETURN**

The Annual Return of the Company as on 31 March 2021 is available on the website of the Company: [www.polygenta.com](http://www.polygenta.com)

**30. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)ACT, 2013:**

The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)Act, 2013.

On 5 March 2014, the Company formed Anti Sexual Harassment Committee as required under the above Act. All members of this committee (including a representative of NGO) are female. Meeting is conducted once in a month to address and resolve the issues, if any, of sexual harassment of women by following proper redressal procedure.

Summary of Complaints during financial year 2020 – 21 are as under:

SN.	Description	Number of Complaints
1	Number of Complaints filed	0
2	Number of Complaints disposed	0
3	Number of Complaints pending	0

**31. Inadvertent Error in Notice of AGM of 2020**

The members are informed that there was a typographical error in the Notice of AGM dated 10 August 2020 calling for AGM on 23 September 2020. In the agenda item no. 7 – Preferential Issue of Equity Shares, there is a typographical error in the name of the proposed allottee. The name of the proposed allottee was inadvertently mentioned as 'Perpetual Global GmbH, Germany instead of 'Perpetual Technologies GmbH, Germany'.

The members are further informed that the name of the proposed allottee is mentioned correctly everywhere else in the Notice including the explanatory statement under section 162 of Companies Act, 2013 circulated along with AGM Notice.

**32. ACKNOWLEDGEMENT**

The Board wishes to place on record its appreciation for the valuable co-operation extended to the Company by its employees, governmental departments, lenders including its promoter, bankers, suppliers, and its customers for their continued considerable support.

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

Chairperson

DIN: 02336683

Place: Mumbai

Date: 30 July 2021

**ANNEXURE 'I' TO DIRECTORS' REPORT**

**ADDITIONAL INFORMATION AS REQUIRED UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**(A) CONSERVATION OF ENERGY DURING THE YEAR 2020-21**

**(a) Steps taken/impact of conservation of energy**

Replaced existing conventional light fixtures in a phased manner (28 watt, 56 watt, 72 watt, 150 watt) by LED tube light (20 watt, 40 watt, 36 watt, 80 watt) across the plant. Estimated annual reduction in power consumption is 17423 Kwh thereby generating energy cost saving of around Rs. 0.12 million per annum.

**(b) The Steps taken by the company for utilizing alternate sources of energy:**

The Company is evaluating various options for an adoption of renewable sources of energy.

**(c) The Capital Investment on energy conservation equipment:**

The Company has spent Rs. 0.26 Million as capital investment on energy conservation equipment during the financial year 2020-21.

**(B) TECHNOLOGY ABSORPTION -**

The Company uses a unique, cost-effective, proven chemical process that is specifically designed to accept all grades of post-consumer PET as a feedstock which we have been using and improving continuously. We have been constantly upgrading the systems and the technology so that we are able to consistently produce high quality sustainable products. Significant improvements in the Ethylene Glycol Recovery process have been implemented to reduce the fuel consumption per kg of finish product.

**a) Efforts, in brief, made towards technology absorption, adaption and innovation**

The Company has an on-going R&D programme focussed on optimising the existing process and developing new product range which shall help the company to grow in future and differentiate itself from other recycling companies in the world. The main areas of development are:

- Making of PET bottles: The Company made bright chips in its pilot plant and then further processed them in Solid State Polymerisation ("SSP") pilot plant by increasing its viscosity to about 0.750 to

0.820 to make bottle grade PET chips. ). The samples of these bottle grade PET chips were sent to an external facility to make preform (consisting of 75% virgin PET chips and 25% recycled PET chips) and which were then made into PET bottles

- Trials with and without optical brightener were conducted.
- Tracer trials were conducted so that the users can identify that the products they are using have been made using the raw materials (i.e. chips/ yarns etc.) supplied by the Company
- Developing capability for using cheaper alternatives to PET flakes (as raw materials). This year successful trials were conducted to produce polymer using textile garment waste in our pilot facility. Further technical optimisation is underway.

**b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.**

The bottles prepared from 25% of our recycled polymers are pretty well and we can think of developing such business as well in coming days. This was the first attempt & we can still make it little better while processing for SSP.

The benefits derived are that product shall be sent to customers for trial purpose and based on their feedback we can improve it further to a stage at which this becomes commercial saleable product to open new product business.

**c) The expenditure incurred on Research and Development :**

Total cost of all above Pilot scale trials is Rs. 0.15 Million.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGOINGS (RS. Million):**

	<b>Year ended 31<sup>st</sup> March 2021</b>	<b>Year ended 31<sup>st</sup> March 2020</b>
Total Foreign Exchange Earned	733.3	634.2
Total Foreign Exchange Used	26.4	32.4

**ANNEXURE II TO DIRECTORS REPORT****COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration ("N&R") Committee has formulated a detailed Nomination Remuneration policy which, inter alia, deals with the manner of selection of Directors and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters as provided under section 178(3) of the Companies Act, 2013. The highlights of the Policy are as under:

**1) Appointment and Evaluation of Directors**

- a) Appointment Criteria, Selection, and Induction (including term and tenure)
  - i) For a candidate to be considered for selection as a Director, a candidate should:
    - (1) Be able to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively;
    - (2) Have excellent financial and/or business literacy and skills;
    - (3) Have appropriate other qualifications and experience to meet the objectives of the Company;
    - (4) Be prepared to devote time to update their knowledge and skills with the Company's latest developments and corporate governance best practices;
    - (5) Be willing to devote sufficient time and attention to the Company's business and discharge their responsibilities;
    - (6) Bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, and standards of conduct;
    - (7) Have the ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
    - (8) Be able to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees; and

- (9) Meet the requirements of the Companies Act, 2013 read with its rules for qualifications included in applicable provisions of Companies Act 2013, as well as other rules made thereunder.
- ii) Candidates may also provide one or more of the following favourable attributes:
  - (1) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service generally and stakeholders that are relevant to the Company's business and future objectives.
  - (2) Related experience in management/governance of manufacturing companies with one or more of the following critical success factors:
    - (a) Achieving continuing innovation in its primary production processes; and
    - (b) Highly effective sales function that engages with global apparel, accessory and home furnishing brands with a product positioning that emphasises environmentally beneficial performance and benefits.
- iii) The N&R Committee shall design and oversee the orientation program for new Directors and will work with senior management to ensure that Directors are updated annually on commercial, operational, competitive, technological, regulatory, and compliance matters that materially affect the Company's business. This is to help equip Directors with the requisite information base to perform their duties.
- b) Performance Evaluation
  - i) The Directors of the Board will be evaluated by their peers as the N&R Committee determines it is required.
  - ii) The basis for the evaluation will be a questionnaire that will be reviewed and modified from year to year as the N&R Committee sees fit, with input from the Directors and pertinent third party sources which the N&R Committee may or may not choose to employ at its discretion.

- c) Succession Planning – The N&R Committee will review at least once annually and otherwise as circumstances may require succession planning and provisions for the Company's Directors.
  - d) Appointment Process and Terms – The N&R Committee will be responsible for establishing and implementing a transparent process for the appointment of Directors to the Board which shall include:
    - i) Making recommendations as to the appropriate size, diversity and composition of the Board;
    - ii) Ensuring that upon appointment to the Board, Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
    - iii) Identifying and recommending Directors who are to be put forward for retirement by rotation;
    - iv) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
    - v) Taking care that the Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years;
    - vi) Providing for the additional terms and conditions that apply to the appointment of Independent Directors as per provisions of the Act including that:
      - (1) An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
      - (2) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided further that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the N&R Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
      - (3) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is in compliance with the provisions under the Act.
- 2) Appointment and Evaluation of Key Managerial Personnel (“KMP”) and Senior Management**
- a) The N&R Committee shall identify and ascertain the integrity, qualification, expertise, and experience of the person for appointment to a KMP position or to a Senior Management level and recommend to the Board his / her appointment.
  - b) The N&R Committee shall obtain from Key Management Personnel their views as to the description of a given executive position to be filled, recommended relevant qualifications, expertise, experience and managerial and inter-personal/communication skills required by the position as well as candidates that the Key Management Personnel may have identified. The KMP shall also provide relevant market-based and other data as to the appropriate range of compensation for the executive position, including an indication of absolute levels, the mix of fixed and incentive-based compensation, and perquisites that may be included.
  - c) The N&R Committee may seek third party specialist advice and assistance with identifying

and recruiting as it sees fit for the position taking into consideration the Company's current operational size and financial condition;

- d) The N&R Committee shall apply the above information in evaluating available candidates and make a recommendation to the Board as to both the candidate and appropriate terms of compensation and employment;
- e) The N&R Committee shall complete a performance evaluation of all Key Management Personnel each year applying criteria established by the N&R Committee for the respective executive positions. The N&R Committee shall also review and advice on the performance evaluation policies, procedures, and execution of the same for the employees of the Company.
- f) Succession Planning - The N&R Committee will review at least once annually and otherwise as circumstances may require succession planning and provisions for the Company's KMP and Senior Management.
- g) Removal
  - i) Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the N&R Committee may recommend, to the Board with reasons recorded in writing, removal of a KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
  - ii) KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain such KMP or Senior Management personnel in the same position remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 3) Remuneration Policy for non-executive Directors

- a) The N&R Committee shall develop and recommend remuneration terms for non-Executive Directors subject to the following guidelines and the applicable rules and regulations of the Act and other applicable law:
  - i) The Directors' remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of

Association of the Company and the Act.

- ii) Sitting Fees: The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or other committees thereof provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or other committees or such amount as may be prescribed by the Central Government from time to time. The N&R Committee shall seek to recommend sitting fees that are commensurate with market practice for comparable companies in comparable industries, financial condition, and circumstances.
- iii) Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the corresponding percentage of the profits of the Company computed as per the applicable provisions of the Act.
- iv) The Independent Directors shall not be entitled to any stock options and may receive remuneration by way of fee for attending meetings of the Board or other committees thereof or for any other purpose as may be recommended by the N&R Committee and decided by the Board, always subject to the prevailing terms and provisions of the Act and other applicable law.

### 4) Remuneration Policy for KMP, Senior Management, Whole-time and Executive Directors

- a) The setting of remuneration for KMP, Senior Management, Whole-time and Executive Directors ("Executive Manager") shall be guided by the following principles:
  - i) To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Executive Managers and other employees of the quality required to run the Company successfully.
  - ii) No Executive Manager shall be involved in deciding his or her own remuneration;
  - iii) Prevailing trends in corresponding and similar industries and nature and size of business is kept in view and given due consideration in determining proper competitive quantum of remuneration;

- iv) There is a clear relationship between (i) the level of remuneration and (ii) performance and appropriate unambiguous performance benchmarks are set out and communicated;
- v) Improved performance should be rewarded by an increase in remuneration and suitable authority for value addition in the future;
- vi) Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long-term performance objectives appropriate to the Company's working and goals.
- vii) The following criteria are also to be considered:-
  - (1) Responsibilities and duties ;
  - (2) Time and efforts devoted;
  - (3) Value addition;
  - (4) Profitability of the Company and growth of its business;
  - (5) Analysing each and every position and skills for fixing the remuneration yardstick; and
  - (6) Standards for certain functions where there is a scarcity of qualified resources.
- viii) Other criteria that may be considered as applicable include:
  - (1) Consistent application of remuneration parameters across the organisation; and
  - (2) Whenever, there is any deviation from the policy, the justification /reasons should also be indicated / disclosed adequately.
- b) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- c) N&R Committee may decide to develop an ESOP Policy and recommend to the Board based on the applicable Acts / Guidelines and consistent with the overall policy decided by the Shareholders at the General Meeting.

**ANNEXURE 'III' TO DIRECTORS' REPORT**

Directors' Responsibility Statement as required under section 134(3) (c) read with 134(5) of the Companies Act, 2013 (The Act):

It is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended 31 March 2021, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

**Sujata Chattopadhyay**  
**Chairperson**  
DIN: 02336683

Place: Mumbai  
Date: 30 July 2021



**ANNEXURE 'IV' TO DIRECTORS' REPORT****SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2021**

To  
The Members  
Polygenta Technologies Limited  
Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor  
Sahar Road, off Western Express Highway,  
Andheri (East)  
Mumbai: 400069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Polygenta Technologies Limited**, (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion the Company has during the period covering 1 April 2020 to 31 March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1 April 2020 to 31 March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India

Act, 1992 ("SEBI Act"), to the extent they are applicable to the company:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Share Based Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards Issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) during the period that the Company was a listed company.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted and changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision were carried through unanimously during the period under review, there being no dissent.

I further report that based on compliance mechanism established by the Company and on the basis of compliance certificates issued by the Compliance Officer and taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Also, as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

I further report that during the audit period, the company has not undertaken any action having a major bearing on the company's affairs in pursuance of the above referred laws, except as follows: -

a) In compliance of the SEBI (Delisting of Equity Shares) Regulations, 2009, the company complied with the formalities for delisting of equity shares during the year under review. Pursuant to its application for voluntary delisting of equity shares with the BSE, the trading of equity shares at the BSE was discontinued with effect from 23rd April, 2020 and the equity shares were delisted with effect from 30th April, 2020, in accordance with the notice issued by BSE dated 16th April, 2020. By the said notice, BSE has directed that the exit option will be kept open by the acquirer of the company i.e. Performance Recycling Limited (earlier known as Perpetual Global Technologies Limited), for the remaining public shareholders for a period of minimum two years from the date of delisting at the rate of Re. 1/- (Rupee One only) per Equity Share, being the exit price determined.

b) The members of the Company had passed a special resolution at the 38th Annual General Meeting held on 23rd September 2020 for the preferential issue of 8,00,00,000 (Eight Crore) equity shares of nominal face value of Rs.10 (Rupees ten) each at par, ranking pari passu in all respects with the then existing equity shares of the Company, on such other terms and conditions, as the Board may deem appropriate in its absolute discretion, to Perpetual Technologies GmbH, Germany. Pursuant to the said special resolution, the allotment of 8,00,00,000 equity shares have been made subsequent to the year-end on 5th July, 2021.

Place: Mumbai

Date: 30.07.2021

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN- A008649C000715355

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure A'**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. Following the nation-wise lockdown implemented by the Central and State Governments arising out of COVID-19 situation, the statutory records and extracts of the minutes of the meetings of the Board of Directors and their Committees held during the year under review were verified on the basis of soft copies of the documents and records shared by the Company.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 30.07.2021

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN: A008649C000715355

**ANNEXURE 'V' TO DIRECTORS REPORT****PARTICULARS OF REMUNERATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Names of the Top Ten Employees in terms of remuneration drawn and the names of every employee who; if employed throughout the financial year, was in receipt of remuneration for that year which in the aggregate not less than Rs.102 lakhs OR if employed for part of the financial year, was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than Rs.8.5 lakhs per month:

Name of the Employee	Designation of the employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications (and employee's years of experience)	Date of commencement of employment	Age of Employee (Years)	Employee's employer prior to joining the Company
Makarand Kulkarni	Chief Marketing Officer	9,668,020	Full time	B.E. Textile, (31 years)	01/04/2004	54	Textila India Private Limited
Dhanvant Yeola	Executive Director (Technical)	2,969,498	Full time	B.E (Instrumentation), M.B.A.(26 Years)	24/04/2008	49	Divine Polymer Ltd,
Paresh Damania	Company Secretary	2,883,721	Full time	B. Com., C. A., C.S. (33 years)	12/03/2009	54	Ethypharm LL Pvt. Ltd.
*Chetan Gandhi	Chief Finance Officer	2,594,228	Full time	B.Com, C.A. passed (14 years)	01/07/2020	37	Performance Recycling Limited (Consultant)
Sandeep Nevatia	General Manager-Marketing and Sales	2,250,117	Full time	B.E (Textile) (31 years)	17/04/2017	54	Thai Acrylic Fibre Co. Ltd. (Aditya Birla Group)
J. Thirumurugan	AGM- DTY and Packing	1,834,212	Full time	Dip. in Man Made Fibre (26 years)	22/12/2008	48	Sanghi Polyester Ltd. Hyderabad
Vijay Choudhary	Dy. General Manager-Marketing and Sales	1,738,884	Full time	M.Com, (34 years)	06/06/2008	57	DNH Spinners
Shailendra Bhavsar	Senior Manager-Utility & Mechanical	1,603,776	Full time	B.E. (Mech) (22 years)	02/06/2008	46	Wartsila India Ltd.
Shrikant Kulkarni	Senior Manager-Procurement	1,521,383	Full time	MDBA. Marketing (24 years)	31/01/2013	48	Suzlon Energy, Vadodara
*Akhilesh Sharma	AGM-CP & Renew and POY	1,513,210	Full time	B. Sc. Dip. in Petrochem Engg B. Tech. (Chem) (25 years)	12/01/2009	50	JBF Industries Ltd

\* employed for part of the year

**Notes:**

- (1) Except Mr. Vijay Choudhury and Mr. Dhanvant Yeola, who hold one equity share each, none of the other employees mentioned above holds any equity shares in the Company.
- (2) None of the employee mentioned above is a relative of any director or manager of the Company.
- (3) There is no employee who holds by himself or along with his spouse and dependent children, more than two percent of the equity shares of the Company.

## ANNEXURE 'VI' TO DIRECTORS REPORT

### COMPARISON OF DIRECTORS REMUNERATION WITH MEDIAN EMPLOYEE REMUNERATION

As per rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and other particulars are given as under:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Ratio of Remuneration of Executive Director vs Median remuneration 10:1
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Executive Director (Mr. Dhanvant Yeola) – 53.8% Chief executive Officer (Mr. Makarand Kulkarni) - 15% Company Secretary (Mr. Paresh Damania) - 7% Chief Financial Officer (Mr. Chetan Gandhi) - 15%.
(iii) the percentage increase in the median remuneration of employees in the financial year;	Increase by 4.73%
(iv) the number of permanent employees on the rolls of company;	On-roll employees: 254 (as on 31 March 21)
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	9.65 % average increase in the salary of employees other than Managerial Personnel. Increase in Managerial Remuneration: 53.8% Justification: After MD&CEO left, the ED's responsibility has increased manifold. Also, to make it comparable with industry standard, ED's salary needed restructuring.
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	Yes

**Bagaria & Co. LLP**  
**Chartered Accountants**

01, Stanford, Junction of  
S V Road & C D Burfiwala Marg,  
Andheri (W), Mumbai

## **Independent Auditor's Report**

### **To The Members of Polygenta Technologies Limited**

#### **Opinion**

#### **Report on the Audit of Financial Statements**

We have audited the accompanying financial statements of **Polygenta Technologies Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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 31st March 2021, its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Material Uncertainty Related to Going Concern:**

Without qualifying, we draw attention to note no.33 to the financial statements of the Company having been prepared on a going concern basis which contemplates

the realization of assets and satisfaction of liabilities in the normal course of business, although the Company's net worth stands fully eroded and it had been incurring losses over last several years.

The management believes that it appropriate to prepare the financial statements on a going concern basis since the Company's business performance has improved in the last two years, has increased its capacity during the year by debottlenecking certain processes and has planned expansion near its existing plant. Besides, Perpetual Technologies GmbH (the Holding Company) has confirmed its intention to provide to the Company with the financial, technical and administrative support to the Company's operations and honor the commitments of the Company and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern.

#### **Emphasis of Matter**

We draw your attention to note no 40 (v) of the financial statements with regard to Management's assessment of, inter-alia, realisability of Inventories of Rs 146.6 Mn and recoverability of Trade receivables measured at amortised cost of Rs. 141.7 Mn due to re-surge in COVID 19 pandemic outbreak. The management apart from considering the internal and external information upto the date of approval of these financial statements, it has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, it expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the management will continue to closely monitor any material changes to future economic conditions.

Our Opinion is not modified in respect of this matter.

#### **Information Other than the Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report and Shareholder's information, but does not include the financial statement and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of 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 financial statements, the 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about

whether the financial statements 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 (i) in planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

#### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 and records.
  - (c) The Balance sheet, the Statement of Profit & Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies

(Account) Rules, 2014.

- (e) On the basis of the written representation received from the directors as on March 31, 2021 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Company is obtaining necessary approval of its members in respect of commission payable to its non executive directors.
- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No.34]
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No: 143503  
UDIN :21143503AAAALN9924

Place: Mumbai  
Date : July 30, 2021



**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Polygenta Technologies Limited of even date**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Fixed Assets).
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable considering the size of the Company and nature of its fixed assets. As explained, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of the immovable property (presently mortgaged to a lender – Refer note no 37) are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) 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 entered into any transactions referred in section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76

or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.

- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Duty of Customs, Goods and Service Tax and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Goods and Service Tax and Duty of Customs which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of borrowings to Banks during the year. During the year Company has not taken any loans or borrowings from a financial institution or issued any debenture.
- ix) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past.
- x) According to the information and explanations given to us, we have not come across any instance of material fraud by officers or employees of the Company, noticed or reported during the year, nor have we been informed of such case by the management.

xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act except for necessary approval of members is being obtained in respect of commission payable to its non executive directors.

xii) The provisions of Nidhi company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 38 to the Ind AS Financial Statements.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.

xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No:

113447W/W-100019

**Vinay Somani**

Partner

Membership No: 143503

UDIN :21143503AAAALN9924

Place: Mumbai

Date : July 30, 2021

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Polygenta Technologies Limited of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Polygenta Technologies Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component 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 Act.

**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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 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 entity are being made only in accordance with authorisations of management; (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

### **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 best of our information and according to the explanations given to us, the Company has, broadly 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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 Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No: 143503  
UDIN :21143503AAAALN9924

Place: Mumbai  
Date : July 30, 2021

**BALANCE SHEET AS AT 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

Particulars	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	1,565.5	1,684.5
(b) Capital work - in - progress	2	7.3	-
(c) Intangible assets	3	1.4	0.6
(d) Right of Use	4	16.1	-
(e) Financial Assets :			
Security Deposits and Others	5	5.4	1.3
(f) Other non - current assets	6	4.8	0.2
<b>Total Non-Current Assets</b>		<b>1,600.5</b>	<b>1,686.6</b>
<b>2 Current assets</b>			
(a) Inventories	7	146.6	199.4
(b) Financial Assets :			
(i) Trade receivables	8	141.7	136.8
(ii) Cash and cash equivalents	9	13.5	32.7
(iii) Bank Balances other than (ii) above	10	193.9	26.3
(iv) Other financial assets - Current	11	0.6	0.2
(c) Current Tax Assets (Net)		1.5	1.6
(d) Other current assets	12	70.1	82.8
<b>Total Current Assets</b>		<b>567.8</b>	<b>479.8</b>
<b>TOTAL ASSETS</b>		<b>2,168.3</b>	<b>2,166.4</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a) Equity share capital	13	1,562.1	1,562.1
b) Instrument (ECB) considered equity in nature	14	3,423.5	3,423.5
c) Other Equity	15	(2,982.5)	(3,027.8)
<b>Total Equity</b>		<b>2,003.1</b>	<b>1,957.8</b>
<b>2 Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	27.8	31.8
Other financial liabilities	17	15.4	-
<b>Total Non Current Liabilities</b>		<b>43.2</b>	<b>31.8</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	-	21.9
(ii) Trade Payables	19		
Total outstanding dues of micro and small enterprises		22.6	7.0
Total outstanding dues of creditors other than micro and small enterprises		52.8	86.8
(iii) Other Financial Liabilities	20	23.5	24.5
(b) Other current liabilities	21	4.8	20.2
(c) Provisions	22	18.4	16.4
<b>Total Current Liabilities</b>		<b>122.1</b>	<b>176.8</b>
<b>Total Liabilities</b>		<b>165.3</b>	<b>208.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,168.3</b>	<b>2,166.4</b>
<b>Significant Accounting Policies</b>	1		
<b>Accompanying Notes form an integral part of financial statements</b>	2 to 45		

As per our attached report of even date

For BAGARIA &amp; CO. LLP

Chartered Accountants

Firm Registration No :113447W/W-100019

Vinay Somani

Partner

Place: Mumbai

Dated: 30<sup>th</sup> July, 2021

For and on behalf of the Board of Directors

Sujata Chattopadhyay

Chairperson

DIN:02336683

Mumbai- 30<sup>th</sup> July, 2021

Makarand Kulkarni

Chief Executive Officer

Nashik- 30<sup>th</sup> July, 2021

Dhanvant Yeola

Executive Director

DIN : 08325170

Mumbai- 30<sup>th</sup> July, 2021

Chetan Gandhi

Chief Financial Officer

Nashik- 30<sup>th</sup> July, 2021

Paresh Damania

Company Secretary

Mumbai- 30<sup>th</sup> July, 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

Particulars	Note	For the year ended 31 <sup>ST</sup> March, 2021	For the year ended 31 <sup>ST</sup> March, 2020
<b>I Income</b>			
Revenue from Operations	23	1,290.9	1,151.8
Other Income	24	5.2	27.6
<b>Total Income</b>		<b>1,296.1</b>	<b>1,179.4</b>
<b>II Expenses</b>			
Cost of materials consumed	25	693.7	713.4
Changes in inventories of finished goods and work-in progress	26	50.9	(58.4)
Manufacturing and Operating Costs	27	161.2	171.4
Employee benefits expense	28	164.8	154.9
Finance costs	29	10.2	14.0
Depreciation and amortization expense	30	123.8	159.5
Other expenses	31	46.5	70.9
<b>Total Expenses</b>		<b>1,251.1</b>	<b>1,225.7</b>
<b>III Profit / (loss) before tax</b>		<b>45.0</b>	<b>(46.3)</b>
<b>IV Tax expense</b>			
Current tax		-	-
Deferred tax charge/(credit)		-	-
<b>V Profit/(Loss) for the year</b>		<b>45.0</b>	<b>(46.3)</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		0.3	(2.4)
<b>Other Comprehensive Income</b>		<b>0.3</b>	<b>(2.4)</b>
<b>VII Total Comprehensive Income for the year</b>		<b>45.3</b>	<b>(48.6)</b>
<b>VIII Earnings per equity share of Rs. 10 each</b>			
Basic and Diluted Earning Per share of face value of Rs 10 each	36	0.29	(0.30)
<b>Significant Accounting Policies</b>	1		
<b>Accompanying Notes form an integral part of financial statements</b>	2 to 45		

As per our attached report of even date

**For BAGARIA & CO. LLP**
**Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

Place: Mumbai

 Dated: 30<sup>th</sup> July, 2021

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

Chairperson

DIN:02336683

 Mumbai- 30<sup>th</sup> July, 2021

**Makarand Kulkarni**

Chief Executive Officer

 Nashik- 30<sup>th</sup> July, 2021

**Dhanvant Yeola**

Executive Director

DIN : 08325170

 Mumbai- 30<sup>th</sup> July, 2021

**Chetan Gandhi**

Chief Financial Officer

 Nashik- 30<sup>th</sup> July, 2021

**Paresh Damania**

Company Secretary

 Mumbai- 30<sup>th</sup> July, 2021

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

( ₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net (Loss) Before Taxation</b>	45.0	(46.3)
<b>Adjustment for :</b>		
(Profit) / Loss on sale of Property, Plant and Equipment (net)	0.1	1.5
Depreciation / amortization	123.8	159.5
Interest and other charges	10.2	14.0
Interest Income	(4.7)	(8.0)
Provision for Doubtful Debts / Bad Debts	0.0	0.4
Provision no longer required, written back	(0.0)	(7.0)
Reversal of Input Credit for formerly years	-	3.1
Exchange loss / (Gain) unrealized	(0.9)	(5.5)
<b>Operating Profit / (Loss) before Working Capital Changes (Includes current &amp; non Current items)</b>	<b>173.4</b>	<b>111.7</b>
(Increase) / decrease in Inventories	52.9	(58.5)
(Increase) / decrease in Trade Receivables	(4.0)	(43.7)
(Increase) / decrease in Other Current / Non Current Assets	7.5	141.3
Increase / (decrease) in Trade Payables	(40.3)	36.1
Increase / (decrease) in Other Liabilities	1.3	6.3
<b>Cash Generated from Operations</b>	<b>190.8</b>	<b>193.3</b>
Taxes paid (Net of refund)	(0.4)	(0.1)
<b>Net Cash Flow (used in)/from Operating Activities (A)</b>	<b>190.3</b>	<b>193.2</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment (Including CWIP and capital advance)	(31.5)	(65.3)
Sale of Property, Plant and Equipment	2.4	1.5
Interest received	1.3	0.3
<b>Net Cash Flow (used in) / from Investing Activities (B)</b>	<b>(27.7)</b>	<b>(63.5)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	9.6	50.0
Repayment of short-term borrowings	(13.6)	(108.7)
Interest paid	(10.0)	(14.6)
Payment of lease liabilities	(0.2)	-
<b>Net Cash (used in) / from Financing Activities (C)</b>	<b>(14.2)</b>	<b>(73.2)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>148.4</b>	<b>56.4</b>
Cash and cash equivalents at beginning of the year	59.0	2.6
Cash and cash equivalents at end of the year	207.4	59.0
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>148.4</b>	<b>56.4</b>
Significant Accounting Policies	1	
Accompanying Notes form an integral part of financial statements	2 to 45	

As per our attached report of even date

**For BAGARIA & CO. LLP****Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

Place: Mumbai

Dated: 30<sup>th</sup> July, 2021**For and on behalf of the Board of Directors****Sujata Chattopadhyay**

Chairperson

DIN:02336683

Mumbai- 30<sup>th</sup> July, 2021**Makarand Kulkarni**

Chief Executive Officer

Nashik- 30<sup>th</sup> July, 2021**Dhanvant Yeola**

Executive Director

DIN : 08325170

Mumbai- 30<sup>th</sup> July, 2021**Chetan Gandhi**

Chief Financial Officer

Nashik- 30<sup>th</sup> July, 2021**Pareesh Damania**

Company Secretary

Mumbai- 30<sup>th</sup> July, 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

### a EQUITY SHARE CAPITAL

Particulars	Notes	Amount Rs in Mn
As at 31st March, 2019	13	1,562.1
Changes in Equity Share Capital		-
As at 31st March, 2020	13	1,562.1
Changes in Equity Share Capital		-
As at 31st March, 2021	13	1,562.1

### b INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Notes	Amount Rs in Mn
As at 31st March, 2019	14	3,423.5
Changes in Instrument entirely equity in nature		-
As at 31st March, 2020	14	3,423.5
Changes in Instrument entirely equity in nature		-
As at 31st March, 2021	14	3,423.5

### c OTHER EQUITY

Particulars	Note	Reserves and Surplus		Items of other comprehensive income	Total
		Securities Premium	Retained Earnings	Remeasurements of defined benefit plans	Other Equity
Balance as at 31st March, 2019	15	1,178.8	(4,157.3)	(0.7)	(2,979.1)
Add :Loss for the year		-	(46.3)	-	(46.3)
Add :Other Comprehensive Income for the year		-	-	(2.4)	(2.4)
Balance as at 31st March, 2020	15	1,178.8	(4,203.5)	(3.0)	(3,027.8)
Balance as at 31st March, 2020		1,178.8	(4,203.5)	(3.0)	(3,027.8)
Add :Profit for the year		-	45.0	-	45.0
Add :Other Comprehensive Income for the year		-	-	0.3	0.3
Balance as at 31st March, 2021	15	1,178.8	(4,158.5)	(2.7)	(2,982.5)
Significant Accounting Policies Accompanying Notes form an integral part of financial statements	1 2 to 45				

As per our attached report of even date

**For BAGARIA & CO. LLP**

Chartered Accountants

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

Place: Mumbai

Dated: 30<sup>th</sup> July, 2021

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

**Sujata Chattopadhyay**

Chairperson

DIN:02336683

Mumbai- 30<sup>th</sup> July, 2021

**Makarand Kulkarni**

Chief Executive Officer

Nashik- 30<sup>th</sup> July, 2021

**Dhanvant Yeola**

Executive Director

DIN : 08325170

Mumbai- 30<sup>th</sup> July, 2021

**Chetan Gandhi**

Chief Financial Officer

Nashik- 30<sup>th</sup> July, 2021

**Paresh Damania**

Company Secretary

Mumbai- 30<sup>th</sup> July, 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :****I. Background and Operations**

Polygenta Technologies Limited ('PTL', 'Polygenta' or 'the Company'), is engaged in the business of manufacturing sustainable polyester chips ("PET Chips") and filament yarn by recycling post consumer PET flakes using a break-through recycling technology . These products made by Polygenta using the recycling process are sold for various applications in the fields of apparel, denim, home furnishings, floor coverings, industrial applications.

**II. Significant accounting policies****(a) Basis of preparation of Financial Statements****(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting standards) Rules,2015 and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements. Due to rounding off, the numbers presented throughout the financial statement may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**i. Contingent Liabilities and Contingent Assets**

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognized nor disclosed in the financial statements.

**ii. Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**(b) Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Capital Work-in-progress**

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as Capital Work in Progress pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets as detailed below :

<u>Category</u>	<u>Useful Life considered for Depreciation</u>
Buildings (including roads)	3- 60 Years
Plant & Equipment	* 7- 25 Years
Furniture & Fixture	10 Years
Office Equipment	3 - 5 Years
Vehicles	8 - 10 Years

\* Useful life of Process Machineries are determined based on the internal technical assessment supported by independent evaluation carried out by external valuers. Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life as specified below:

<u>Category</u>	<u>Useful Life</u>
Computer Software and Licenses	3 to 5 years
Right to Use	5 years

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date. Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded. Leasehold Land is amortized over the period of lease. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains/Losses on disposal/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.

**(c) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost.

**(d) Intangible assets****Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method**

The Company amortizes computer software with a useful life using the straight-line method over the period of 6 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(e) Lease****As a lessee**

**As a lessee** : The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (f) Cash and Cash Equivalents

For the purpose of 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 and bank overdrafts.

### (g) Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

### (h) Investments and other financial assets

#### (i) Classification

The company classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

\* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### (ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**Debt instruments:**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss and recognized in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

**(iii) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(v) Income recognition****Interest income**

Interest income from debt instruments is recognized using the effective interest rate method.

**Dividend**

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

**(i) Derivative financial instruments**

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

### (j) Borrowings

Borrowings are initially recognized at net of transaction costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of borrowings using the effective interest method."

### (k) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

### (l) Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

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.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

### (m) Revenue recognition

#### Revenue From Contracts With Customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness. Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

#### Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

**Sale of goods:**

Revenue from the sale of goods is recognized when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate.

Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

**Rendering of services:** Revenue from sale of services are recognized when the services are rendered.

**Other Income :** Dividend income on investments is recognized when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

**Contract balances:****Trade Receivables:**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

**Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is formerly. Contract liabilities are recognized as revenue when the company performs under the contract

**(n) Employee benefits**

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans,

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

to recognize the obligation on net basis. The Company has an obligation to make good the shortfall, if any.

Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

**(o) Foreign currency transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

**(p) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**(q) Earnings Per Share****Basic earnings per share**

Basic earnings per share is calculated by dividing:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(r) Segment Reporting:**

The Company is engaged in the business of manufacturing and selling polyester Chips and filament yarn (PFY) based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the CEO/Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators on this single business segment.

**(s) Government Grants:**

Grants received against specific Property, Plant and Equipment are adjusted to the cost of the assets and those in the nature of promoters' contribution are credited to capital reserve. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

RECENT INDIAN ACCOUNTING STANDARDS (IND AS) Ministry of Corporate affairs (MCA) notifies new standards or amendment to the existing standards :

There is no such notification which would have been applicable from April 01, 2021.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**2 Property, Plant and Equipment**

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount :</b>									
As at 1 <sup>st</sup> April, 2020	1.1	355.7	1,921.6	0.5	4.2	-	1.4	2,284.5	162.9
Additions	-	-	4.3	0.0	0.2	-	2.2	6.7	7.3
Capitalised during the year	-	-	-	-	-	-	-	-	-
Discarded/Impairment Provision	-	-	5.2	-	-	-	0.0	5.2	162.9
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1.1</b>	<b>355.7</b>	<b>1,920.7</b>	<b>0.6</b>	<b>4.4</b>	<b>-</b>	<b>3.6</b>	<b>2,286.0</b>	<b>7.3</b>
<b>Accumulated Depreciation :</b>									
As at 1 <sup>st</sup> April, 2020	-	56.3	538.5	0.3	3.8	-	1.1	599.9	-
Depreciation charge for the year	-	14.2	108.2	0.1	0.3	-	0.4	123.3	-
Disposals	-	-	-	-	-	-	-	-	-
Discarded	-	-	2.7	-	-	-	0.0	2.7	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>70.5</b>	<b>644.0</b>	<b>0.4</b>	<b>4.1</b>	<b>-</b>	<b>1.5</b>	<b>720.5</b>	<b>-</b>
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March, 2020	1.1	299.4	1,383.1	0.2	0.4	-	0.3	1,684.5	-
As at 31 <sup>st</sup> March, 2021	1.1	285.1	1,276.6	0.2	0.3	-	2.1	1,565.5	7.3

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount :</b>									
As at 1 <sup>st</sup> April, 2019	1.1	351.7	1,793.0	0.3	4.1	-	1.3	2,151.6	241.1
Additions	-	4.0	139.0	0.2	0.1	-	0.1	143.3	51.3
Disposals	-	-	-	-	-	-	-	-	129.5
Discarded/Impairment Provision	-	-	10.4	0.0	-	-	0.0	10.5	162.9
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.1</b>	<b>355.7</b>	<b>1,921.6</b>	<b>0.5</b>	<b>4.2</b>	<b>-</b>	<b>1.4</b>	<b>2,284.5</b>	<b>-</b>
<b>Accumulated Depreciation :</b>									
As at 1 <sup>st</sup> April, 2019	-	42.1	402.0	0.2	2.9	-	0.9	448.1	-
Depreciation charge for the year	-	14.2	143.9	0.1	0.9	-	0.2	159.3	-
Disposals	-	-	-	-	-	-	-	-	-
Discarded	-	-	7.4	0.0	-	-	0.0	7.5	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>56.3</b>	<b>538.5</b>	<b>0.3</b>	<b>3.8</b>	<b>-</b>	<b>1.1</b>	<b>599.9</b>	<b>-</b>
<b>Net Carrying Amount :</b>									
As at 1 <sup>st</sup> April, 2019	1.1	309.6	1,391.0	0.1	1.2	-	0.4	1,703.5	162.9
As at 31 <sup>st</sup> March, 2020	1.1	299.4	1,383.1	0.2	0.4	-	0.3	1,684.5	-

Notes:

- 1 Refer Note 37 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.
- 2 Refer Note 35 for the details in respect of Capital Commitments.
- 3 Refer note 43 for reassessed remaining useful life of certain assets.
- 4 Capital Work-In-Progress towards expansion comprises of Legal & professional Expenses of Rs 7.3 mn.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## 3 Intangible assets

Particulars	Computer Software	Total
<b>Gross Carrying Amount</b>		
As at 1 <sup>st</sup> April, 2020	1.2	1.2
Additions	1.2	1.2
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2.4</b>	<b>2.4</b>
<b>Accumulated Amortisation</b>		
As at 1 <sup>st</sup> April, 2020	0.7	0.7
Amortisation charge for the year	0.3	0.3
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1.0</b>	<b>1.0</b>
<b>Net Carrying Amount</b>		
As at 1 <sup>st</sup> April, 2020	0.6	0.6
As at 31 <sup>st</sup> March, 2021	1.4	1.4

Particulars	Computer Software	Total
<b>Gross Carrying Amount</b>		
As at 1 <sup>st</sup> April, 2019	1.1	1.1
Additions	0.1	0.1
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.2</b>	<b>1.2</b>
<b>Accumulated Amortisation</b>		
As at 1 <sup>st</sup> April, 2019	0.5	0.5
Amortisation charge for the year	0.2	0.2
<b>As at 31<sup>st</sup> March, 2020</b>	<b>0.7</b>	<b>0.7</b>
<b>Net Carrying Amount</b>		
As at 1 <sup>st</sup> April, 2019	0.7	0.7
As at 31 <sup>st</sup> March, 2020	0.6	0.6

## 4 Right of Use

Particulars	Leasehold Land	Total
<b>Gross Carrying Amount</b>		
As at 1 <sup>st</sup> April, 2020	-	-
Additions	16.2	16.2
<b>As at 31<sup>st</sup> March, 2021</b>	<b>16.2</b>	<b>16.2</b>
<b>Accumulated Amortisation</b>		
As at 1 <sup>st</sup> April, 2020	-	-
Amortisation charge for the year	0.1	0.1
<b>As at 31<sup>st</sup> March, 2021</b>	<b>0.1</b>	<b>0.1</b>
<b>Net Carrying Amount</b>	<b>16.1</b>	<b>16.1</b>
As at 1 <sup>st</sup> April, 2020	-	-
As at 31 <sup>st</sup> March, 2021	16.1	16.1

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**5 Other Financial Assets - Non Current**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Non-current</b>		
Security Deposits with Others	5.4	1.3
<b>Total</b>	<b>5.4</b>	<b>1.3</b>

**6 Other non - current assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Capital Advance</b>		
Considered good	4.6	0.0
Considered doubtful	3.8	3.8
Less: Provision for Doubtful Advances	(3.8)	(3.8)
Net capital Advance	4.6	0.0
Prepaid Expenses	0.2	0.2
<b>Total</b>	<b>4.8</b>	<b>0.2</b>

**7 Inventories**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Materials	20.3	25.0
Work-in-progress	27.6	30.3
Finished goods	49.8	98.1
(Includes Goods in Transit Rs. 7.7 Mn; Previous year Rs.0.9 Mn)		
Packing Materials	6.7	4.6
Stores and Spares	42.1	41.5
<b>Total</b>	<b>146.6</b>	<b>199.4</b>

Refer Note 37 for the details in respect of inventories hypothecated as security for borrowings and Note 40(V) for Covid 19 Risk

**8 Trade receivables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Considered Good-Secured	-	-
Considered Good-Unsecured	141.7	137.1
Trade Receivable Unsecured having significant increase in credit risk	-	-
Trade Receivable Unsecured -Credit Impaired	-	-
	141.7	137.1
Less: Allowance for bad and doubtful debts	-	(0.4)
<b>Total</b>	<b>141.7</b>	<b>136.8</b>

Refer Note 37 for the details in respect of inventories hypothecated as security for borrowings and Note 40(V) for Covid 19 Risk

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## 9 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Balances with Banks</b>		
- In current accounts	13.2	32.5
Cash on hand	0.3	0.2
<b>Total</b>	<b>13.5</b>	<b>32.7</b>

## 10 Other Bank Balances

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<u>Pledged against working capital facility</u>		
Fixed deposits with original maturity of 3-12 months	153.9	26.3
Fixed deposits with original maturity of less than 3 months	21.4	-
<u>Pledged against bank guarantees issued</u>		
Fixed deposits with original maturity of less than 3 months	18.6	-
Less : Borrowings From Banks (Repayable on demand)		
Overdraft from Bank (31st March, 2020 - 9.65% )	-	0.0
<b>Total</b>	<b>193.9</b>	<b>26.3</b>

Refer Note 37 for the details in respect of Fixed deposits hypothecated/mortgaged as security for borrowings

## 11 Other financial assets - Current

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Security Deposits	-	0.2
Interest Accrued but not due on Fixed Deposits	0.6	0.0
<b>Total</b>	<b>0.6</b>	<b>0.2</b>

## 12 Other current assets

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Export benefit receivable	1.1	2.4
Mega Project Incentive Receivable	15.5	23.0
Electricity Subsidy Receivable	11.6	9.8
Balances with Government Authorities	19.4	40.3
Advances to Suppliers	10.6	5.9
Advance to Holding Company	9.5	-
Expenses reimbursement from Holding Company	1.4	-
Advances to Staff	-	0.0
Prepaid expenses	1.0	1.4
<b>Total</b>	<b>70.1</b>	<b>82.8</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**13) Equity Share capital**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Authorised</b>		
<b>Equity shares, of Rs.10 each</b>	<b>2,400.0</b>	<b>1,600.0</b>
240,000,000 Nos. (31st March, 2020 - 160,000,000 Nos)		
<b>Preference shares, of Rs.10 each</b>	<b>-</b>	<b>300.0</b>
Nil (31st March, 2020 - 30,000,000 Nos.)		
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares, of Rs.10 each</b>	<b>1,562.1</b>	<b>1,562.1</b>
156,206,544 Nos. (31st March, 2020- 156,206,544 Nos.)		
	<b>1,562.1</b>	<b>1,562.1</b>

**b) Rights of Equity Shareholders**

- i) Equity shares having a par value of Rs.10, Each holder of equity shares is entitled to one vote per share.
- ii) The Company declares and pays dividends in Indian rupees. In the event of dividend being declared by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

**c) Reconciliation of number of shares**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Number of shares	Rs. In Millions	Number of shares	Rs. In Millions
<b>Equity Shares :</b>				
Balance as at the beginning of the year	156,206,544	1,562.1	156,206,544	1,562.1
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>156,206,544</b>	<b>1,562.1</b>	<b>156,206,544</b>	<b>1,562.1</b>

**d) Shares held by Parent Company**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	Number of Equity Shares	
PerPETual Technologies GmbH (PTG)*	149,329,911	-
Performance Recycling Limited (formerly known as PerPETual Global Technologies Limited) (PRL)*	-	149,329,911

\* During the year ended 31Mar21 , the entire holdings of equity shares i.e 14,93,29,911 were transferred by Performance Recycling Limited (formerly known as Perpetual Global Technologies Limited) to Perpetual Technologies GmbH.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## e) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Equity Shares:</b>		
PerPETual Technologies GmbH (Holding Company)	149,329,911 95.6%	- -
Performance Recycling Limited (Holding Company / Acquirer)	- -	149,329,911 95.6%

- f) Pursuant to the members' approval dated 9th January, 2020 and after compliance with the necessary requirements of SEBI (Delisting of Equity Shares) Regulations, 2009 in respect of voluntary delisting of the equity shares of the Company, the trading of equity shares at the Bombay Stock Exchange (BSE) was discontinued with effect from 23rd April, 2020 and the equity shares were delisted with effect from 30th April, 2020. As directed by BSE, the exit option is kept open by the acquirer of the company i.e. Performance Recycling Limited (formerly known as Perpetual Global Technologies Limited), for the remaining public shareholders for a period of two years from the date of delisting (30 April 2020) at the rate of Re. 1/- (Rupee One only) per Equity Share, being the exit price determined.

## 14 Instruments (ECB) considered equity in nature

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
External Commercial Borrowings From Holding Company (Refer note 33)	3,423.5	3,423.5
<b>Total</b>	<b>3,423.5</b>	<b>3,423.5</b>

## 15 Other Equity

## Refer Statement of Changes in Equity for detailed movement in Equity balance

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Securities premium (as per last balance sheet)	1,178.8	1,178.8
Retained Earnings	(4,158.6)	(4,203.6)
<b>Items of Other Comprehensive Income :</b>		
Remeasurements of defined benefit plans	(2.7)	(3.0)
<b>Total</b>	<b>(2,982.5)</b>	<b>(3,027.8)</b>

## Nature and purpose of reserves

**Securities premium :** Received on issue of equity/ preference shares.

**Retained Earnings:** Retained earnings are the accumulated losses in the Profit and Loss account.

Re-measurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other Comprehensive Income' and subsequently not to be reclassified to the Statement of Profit and Loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**16 Non Current Financial Liabilities - Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Unsecured</b>		
Inter Corporate Loan (Interest rate 16.25% p.a., for Rs.18.2 Mn., payable in quarterly installments, interest rate is 14%p.a. for Rs. 9.6 Mn., payable in monthly installments)	27.8	31.8
<b>Total</b>	<b>27.8</b>	<b>31.8</b>

**17 Non Current Financial Liabilities - Other financial liabilities**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Lease liabilities	15.4	-
<b>Total</b>	<b>15.4</b>	<b>-</b>

**18 Current Financial Liabilities - Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Unsecured</b>		
Supplier's Credit (Interest rate 31Mar 2020:- 15% per annum)	-	21.9
<b>Total</b>	<b>-</b>	<b>21.9</b>

**19 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Outstanding dues of micro and small enterprises *	22.6	7.0
Dues payable to Employees	12.3	9.7
Outstanding dues of creditors other than micro and small enterprises	40.5	77.1
	52.8	86.8
<b>Total</b>	<b>75.4</b>	<b>93.8</b>

\*The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1) Principal amount due and remaining unpaid	22.6	7.0
2) Interest due on above and the unpaid interest	-	-
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## 20 Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Current maturities of long-term debt	18.2	18.2
Current maturities of lease liabilities	0.9	-
Payable towards capital creditors	4.4	6.3
<b>Total</b>	<b>23.5</b>	<b>24.5</b>

## 21 Other Current liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance from customers	1.4	17.2
Statutory Dues	3.4	3.0
<b>Total</b>	<b>4.8</b>	<b>20.2</b>

## 22 Provisions

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for employee benefits :		
Provision for Gratuity-Funded (Refer note 39)	14.0	11.6
Provision for Compensated Absences	4.4	4.7
<b>Total</b>	<b>18.4</b>	<b>16.4</b>

## 23 Revenue from Operations

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Sales of Goods</b>		
- Manufactured goods	1,267.4	1,119.4
<b>Other operating revenue</b>		
Export Incentive	12.5	9.1
Process waste sale	9.3	13.6
Mega Project Incentive	-	2.5
Electricity Subsidy Incentive	1.7	7.3
<b>Total</b>	<b>1,290.9</b>	<b>1,151.8</b>

## 24 Other income

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Interest income on fixed deposits and others	4.7	8.0
Provision and Liabilities no longer payable written back	0.0	7.0
Provision for doubtful debts written back on recovery	0.4	-
Other non-operating income	0.1	0.3
Gain on Foreign Exchange (net)	-	12.3
<b>Total</b>	<b>5.2</b>	<b>27.6</b>



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**25 Cost of materials consumed**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Raw Materials consumed	609.8	629.4
Packing Materials consumed	45.8	47.4
Consumables & Spares consumed	25.2	25.0
Freight Inward	13.0	11.7
<b>Total</b>	<b>693.7</b>	<b>713.4</b>

**26 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Opening inventories</b>		
Finished goods	98.1	52.2
Work-in-progress	30.3	17.7
<b>Closing inventories</b>		
Finished goods	49.8	98.1
Work-in-progress	27.6	30.3
<b>Total</b>	<b>50.9</b>	<b>(58.4)</b>

**27 Manufacturing and Operating Costs**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Power and Fuel	157.9	158.7
Repairs to Building	0.0	2.2
Repairs to Machinery	3.2	10.2
Machine Hire Charges	0.1	0.3
<b>Total</b>	<b>161.2</b>	<b>171.4</b>

**28 Employee benefits expense**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Salaries and wages	146.9	137.9
Contribution to provident funds and other funds	7.3	6.0
Defined benefit plan expense	3.3	3.7
Workmen and Staff welfare expenses	7.3	7.4
<b>Total</b>	<b>164.8</b>	<b>154.9</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## 29 Finance costs

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Interest expense on borrowings from Banks	-	9.0
Interest expense on borrowings from others	9.0	3.8
Interest component of lease liabilities	0.5	-
Other borrowing costs	0.7	1.2
<b>Total</b>	<b>10.2</b>	<b>14.0</b>

## 30 Depreciation and amortization expense

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Depreciation on Property, Plant and Equipment (Refer note 43)	123.5	159.3
Amortization on Intangible assets	0.3	0.2
<b>Total</b>	<b>123.8</b>	<b>159.5</b>

## 31 Other expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Repairs & Maintenance Others	2.0	2.9
Insurance	2.6	2.4
Rent	0.9	0.8
Rates and Taxes	4.0	7.7
Expenses towards Increase in authorised share capital	4.8	-
Auditors' Remuneration*	0.9	0.9
Legal and Professional Expenses	15.0	24.5
Bad Debts written off	0.0	0.0
Less :Provision for doubtful Debts withdrawn	-	-
Provision for doubtful Debts	-	0.4
Commission to selling agents	6.4	8.0
Freight expenses	3.8	3.7
Travelling & Conveyance	1.2	3.8
Communication expenses	0.7	0.7
Postage & Courier	0.2	0.5
Loss on Foreign Exchange (net)	1.7	-
Loss on Sale of Property, Plant and Equipment	0.1	1.5
Miscellaneous Expenses	2.3	13.1
<b>Total</b>	<b>46.5</b>	<b>70.9</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**\*Auditors' remuneration (excluding taxes)**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
- Audit Fees	0.6	0.6
- Limited Review Fees	0.3	0.3
<b>Total</b>	<b>0.9</b>	<b>0.9</b>

**32 Income Taxes**

**Tax expense recognized in the Statement of Profit and Loss**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Current tax	-	-
Deferred tax	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

Reconciliation of effective tax rate	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Profit/(Loss) before tax	45.3	(48.6)
Enacted income tax rate in India	26.00%	26.00%
Computed Expected Tax Expense	11.8	(12.6)
<b>Differences due to:</b>		
- Expense not deductible	1.2	-
- Allowance for deferred tax assets not recognized on unabsorbed losses as a matter of prudence	10.5	12.6
Income tax expense/(credit) recognised in Profit and loss	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**Movement Deferred tax (assets)/liabilities :**

Particulars	As at 31 <sup>st</sup> March, 2019	Movement during the year	As at 31 <sup>st</sup> March, 2020	Movement during the year	As at 31 <sup>st</sup> March, 2021
<b>Deferred Tax Assets :</b>					
Provision for doubtful debts and advances	-	1.1	1.1	(0.1)	1.0
Expenses allowable for tax purposes on payment basis	3.1	1.2	4.3	0.4	4.8
Unabsorbed Losses & Depreciation	1,254.2	1.1	1,255.3	(17.4)	1,237.9
<b>Deferred Tax Assets-Total</b>	<b>1,257.4</b>	<b>3.4</b>	<b>1,260.8</b>	<b>(17.1)</b>	<b>1,243.7</b>
<b>Deferred Tax Liabilities</b>					
Difference in Written down value of Property, Plant and Equipment	288.7	(36.3)	252.4	1.7	254.1
<b>Deferred Tax Liabilities-Total</b>	<b>288.7</b>	<b>(36.3)</b>	<b>252.4</b>	<b>1.7</b>	<b>254.1</b>
<b>Net Deferred Tax assets</b>	<b>968.7</b>	<b>39.7</b>	<b>1,008.4</b>	<b>(18.8)</b>	<b>989.6</b>
Net Deferred tax assets not recognized	(968.7)	(39.7)	(1,008.4)	18.8	(989.6)
Deferred Tax Liability/(Asset) recognised in Balance sheet	-	-	-	-	-

**33 Going Concern**

Over the years we have put significant efforts in debottlenecking our plant for increasing our operating capacity, improving our plant and thereby product performance, and introducing new and value added products (e.g. fine denier yarns, speciality yarns like fully drawn yarn etc) in our product offerings. All of these efforts have resulted in gradual improvement in company's financial performance over time. This is evident from the fact that while in the previous financial year 2019-20 the Company generated positive EBITDA, in the current financial year 2020-21 the Company has also become PAT positive. This is despite the fact that most of the industries have been adversely impacted in the current financial year by Covid-19 pandemic.

The Company is evaluating various alternatives to further improve the operating capacities of the existing operations which would further enhance our profitability. Additionally, the company is also considering expanding its installed capacity by setting up 2 X 100 Tons Per Day Flakes to PET Chips plant.

Pursuant to the successful delisting offer made by Performance Recycling Limited ("PRL") (formerly know as perPETual Global Technologies Limited), as per the applicable guidelines the equity shares of Polygenta were delisted from BSE w.e.f. 30 April 2020. PRL was the holding company of Polygenta until 6th Dec 2020 and has always been extremely supportive of the Company's project. During December 2020, as a part of the investment structuring, PRL transferred its shareholding in Polygenta to perPETual Technologies GmbH ("PTG"), a company incorporated in Germany. PRL presently is the majority shareholder of PTG. PRL has also assigned to PTG all ECBs that it has provided to Polygenta.

In its efforts to support the Company, PTG has:

- waived off interest on these ECBs atleast upto 30 Sep 2021;

- in order to partly finance the above mentioned expansion plan, invested Rs 800 mn as equity contribution in Polygenta (in July 2021) and also agreed to provide additional equity contribution.

The management has performed impairment test and is of the view that there is no impairment in the value of Property, Plant and Equipment.

Considering what is stated above, the accounts are prepared based on the Principal of a Going Concern.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**34 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts in respect of past disputed liabilities.		
-Claims in respect of various pending litigations	2.9	2.9
<b>Total</b>	<b>2.9</b>	<b>2.9</b>

The Company's pending litigations comprise of claims against the Company and proceedings pending with labour and other litigations. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements.

**35 Capital Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Property, plant and equipment	5.4	2.7
Less: Capital advances	4.6	-
<b>Net Capital commitments</b>	<b>0.8</b>	<b>2.7</b>

**36 Earnings per share (EPS)**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Earnings Per Share has been computed as under:</b>		
Profit/(Loss) for the year-Rs in Mn	45.0	(46.3)
Weighted average number of equity shares outstanding (in Numbers)	156,206,544	156,206,544
Basic & Diluted EPS (Rs)	0.29	(0.30)
(Face value of Rs. 10 per share)		

**37 Assets offered as security**

The carrying amounts of assets offered as security for current and non-current borrowings are:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current Assets</b>		
Trade receivables	141.7	136.8
Inventories	146.6	199.4
Fixed deposits	193.9	26.3
<b>Total Current assets offered as security</b>	<b>482.1</b>	<b>362.5</b>
<b>Non Current Assets</b>		
Freehold Land	1.1	1.1
Furniture, fittings and equipment	0.5	0.6
Plant and Equipment	1,276.6	1,383.1
Buildings	285.1	299.4
<b>Total non-current assets offered as security</b>	<b>1,562.2</b>	<b>1,683.1</b>
<b>Total assets offered as security</b>	<b>2,044.3</b>	<b>2,045.6</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**38 Related Party Disclosure :****A. Relationships:****1 Where control exists.**

PerPETual Technologies GmbH (Holding Company w.e.f. 7 December 2020), Germany

Performance Recycling Limited (formerly known as 'PerPETual Global Technologies Ltd.),' Mauritius, Ultimate Holding Company from 7 December 2020 and Holding Company up to 6 December 2020.

**2 Key Management Personnel:**

Mr. Makarand Kulkarni - CEO (w.e.f.1 July 2020)

Mr. Dhanvant Yeola- Executive Director

Mr. Paresh Damania – Company Secretary

Mr. Chetan Gandhi – Chief Financial Officer (w.e.f 1 July 2020)

Mr. Rakesh Gaikwad – Chief Financial Officer ( Upto 30 June 2020)

Mrs. Sujata Chattopadhyay- Non Executive Director

Mr. Ghanshyam Karkera- Non Executive Director

Mr. Deepak Shetty (w.e.f. 3 December 2020)

Mr. Ramesh Alur- Non Executive Nominee Director (Upto 27 May 2020)

Mr. M. N. Sudhindra Rao - Managing Director &amp; Chief Executive Officer ( Upto 5th April 2019) &amp; Non-Executive Director (from 6th April 2019 to 7th August 2019)

**B. Transactions carried out with related parties referred in A above, in the ordinary course of business:**

Nature of transactions	Performance Recycling Limited (PRL)	PerPETual Technologies GmbH(PTG)	Key Management personnel
Provision for doubtful receivables	- (0.4)	- -	- -
ECB along with accrued interest Assigned to PTG	3423.5	-	-
ECB along with accrued interest Assigned from PGTL	-	3,423.5	-
Advance Paid	- -	9.5 (N.A.)	- -
Expenses reimbursement recoverable	1.4 (N.A.)		
<b>Sitting Fees paid to Non Executive Directors</b>	- -	- -	0.9 (0.7)
<b>Commission to Non Executive Directors</b>			0.4 (N.A.)
<b>Managerial Remuneration</b>	-	-	
Makarand Kulkarni	- -	- -	7.9 (N.A.)
Dhanvant Yeola	- -	- -	2.8 (2.8)
Chetan Gandhi	- -	- -	2.5 (N.A.)

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

Nature of transactions	Performance Recycling Limited (PRL)	PerPETual Technologies GmbH(PTG)	Key Management personnel
Rakesh Gaikwad	-	-	0.2
	-	-	(1.1)
Paresh Damania	-	-	2.8
	-	-	(2.4)
M. N. Sudhindra Rao	-	-	-
	-	-	(0.9)
<b>Closing Balances</b>	-	-	
ECB USD 20 Mn*	N.A.	1,229.4	-
	(1,229.4)	(N.A.)	-
ECB EUR 4.5 Mn*	N.A.	326.6	-
	(326.6)	(N.A.)	-
ECB EUR 10 Mn*	N.A.	367.9	-
	(367.9)	(N.A.)	-
EUR 15 Mn*	N.A.	1,116.3	-
	(1,116.3)	(N.A.)	-
Interest Payable on ECBs*	N.A.	383.3	-
	(383.3)	(N.A.)	-
Trade Receivables	N.A.	-	-
	(0.4)	-	-
Advance Recoverable for Expenses	1.4	-	-
	(N.A.)	-	-
Advance Pad	-	9.5	-
	(-)	(N.A.)	(-)
<b>Remuneration Payable</b>			
Commission payable to Non Executive Directors	-	-	0.4
	-	-	(N.A.)
Makarand Kulkarni	-	-	0.7
	-	-	(N.A.)
Dhanvant Yeola	-	-	0.2
	-	-	(0.2)
Chetan Gandhi	-	-	0.2
	-	-	(N.A.)
Rakesh Gaikwad	-	-	N.A.
	-	-	(0.1)
Paresh Damania	-	-	0.2
	-	-	(0.2)

\* ECB considered as "Instrument entirely equity in nature"

Previous year figures are in brackets

**Notes:** (i) Related parties have been identified by the Management and relied upon by the auditors.

(ii) No amount has been provided for/written off/written back, pertaining to related parties except as disclosed above

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**39 Post retirement benefit plans**

As per Actuarial Valuation as on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 and recognized in the financial statements in respect of Employee Benefit Schemes:

**DEFINED BENEFIT PLANS :****A. Balance Sheet**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Present value of plan liabilities	17.7	17.6
Fair value of plan assets	3.8	6.0
<b>Plan liability net of plan assets</b>	<b>14.0</b>	<b>11.6</b>

**B. Movements in plan assets and plan liabilities**

Particulars	Plan Assets	Plan Liabilities	Plan liabilities net of plan assets
<b>As at 31<sup>st</sup> March, 2020</b>	6.0	17.6	11.6
Current service cost	-	1.8	1.8
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	0.2	-	(0.2)
Interest cost	-	1.2	1.2
Interest income	0.4	-	(0.4)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.1	0.1
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.1	0.1
Actuarial (gain)/loss arising from experience adjustments	-	(0.4)	(0.4)
Employer contributions	-	-	-
Benefits payments	(2.8)	(2.8)	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3.8</b>	<b>17.7</b>	<b>14.0</b>



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

Particulars	Plan Assets	Plan Liabilities	Plan liabilities net of plan assets
<b>As at 31<sup>st</sup> March, 2019</b>	6.0	13.3	7.3
Current service cost	-	1.4	1.4
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	(0.2)	-	0.2
Interest cost	-	1.0	1.0
Interest income	0.5	-	(0.5)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	1.3	1.3
Actuarial (gain)/loss arising from experience adjustments	-	0.8	0.8
Employer contributions	-	-	-
Benefit payments	(0.3)	(0.3)	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>6.0</b>	<b>17.6</b>	<b>11.6</b>

**C. Statement of Profit and Loss**

Particulars	year ended 31 <sup>st</sup> March, 2021	year ended 31 <sup>st</sup> March, 2020
<b>Employee Benefit Expenses:</b>		
Current service cost	1.8	1.4
<b>Total</b>	<b>1.8</b>	<b>1.4</b>
Finance cost/(income)	0.8	0.6
<b>Net impact on the Profit / (Loss) before tax</b>	<b>2.6</b>	<b>2.0</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	(0.2)	0.2
Actuarial gains/(losses) on obligation for the Period	(0.1)	2.1
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>(0.3)</b>	<b>2.4</b>

**D. Defined benefit plans Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Insurance Fund	3.8	6.0

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**E. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Financial Assumptions</b>		
Discount rate	6.80%	6.89%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	230	228
Per Month Salary For Active Members (Rs. Mn)	3.7	3.6
Weighted Average Duration of the Projected Benefit Obligation	10	12

**Demographic Assumptions**

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate

**F. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Current Year	Change in assumption	Increase in assumption	Decrease in assumption
		(Rs. in Million)	(Rs. in Million)
Discount rate	1%	(1.5)	1.7
Salary Escalation Rate	1%	1.7	(1.5)
Employee Turnover	1%	0.1	(0.1)

Previous Year	Change in assumption	Increase in assumption	Decrease in assumption
		(Rs. in Million)	(Rs. in Million)
Discount rate	1%	(1.5)	1.7
Salary Escalation Rate	1%	1.7	(1.5)
Employee Turnover	1%	0.1	(0.1)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

### G. Maturity analysis of the benefits payment from the fund:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1 <sup>st</sup> Following year	1.2	2.1
2 <sup>nd</sup> Following year	0.6	0.9
3 <sup>rd</sup> Following year	0.7	0.6
4 <sup>th</sup> Following year	1.2	0.5
5 <sup>th</sup> Following year	3.0	1.0
Sum of years 6 to 10	6.9	7.4
Sum of years 11 years and above	23.0	25.7

The weighted average duration of the defined benefit obligation is 10 years (2020 - 12 years)

### H. The Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

### I Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

## 40 Financial risk management objectives and policies

The Company has developed a Risk Management Policy. It seeks to identify risks inherent in the Company's business operations and provide guidelines to define, measure, report, control and mitigate the identified risks. The objective of the Company's Risk Management Policy is to create and protect shareholder value by prudently minimising threats or losses, and identifying and maximising opportunities. The policy endeavours to provide a practical enterprise-wide risk management framework that fosters employees integrating risk management into their everyday work.

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

### i. Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. Company is having borrowings at a fixed rate of interest except for Overdraft Facility (OD) against Fixed Deposit (FD) on which there is a net interest spread of 1% and thus has a natural hedge.

#### Exposure to interest rate risk

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Borrowings bearing variable rate of interest	-	-
Borrowings bearing fixed rate of interest	46.0	71.9

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**Interest rate sensitivity****A change of 50 bps in interest rates would have following Impact on profit before tax**

Particulars	2020-2021	2019-2020
50 bp increase in interest rate - decrease in profits	-	-
50 bp decrease in interest rate - Increase in profits	-	-

**ii. Market Risk- Foreign currency risk.**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

**Derivative instruments hedged and unhedged foreign currency exposure****(a) Derivative outstanding as at the reporting date****(Foreign currency In Mn)**

Particulars	Currency	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Forward contracts to sell USD	USD	-	-
Forward contracts to sell EURO	EURO	-	-

**(b) Particulars of unhedged foreign currency exposures as at the reporting date****As at 31<sup>st</sup> March, 2021****(Foreign currency In Mn)**

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	0.9	0.1
Trade payables and Advance from Customers	0.0	-

**As at 31<sup>st</sup> March, 2020****(Foreign currency In Mn)**

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	1.4	0.2
Trade payables and Advance from Customers	0.1	0.1

**Foreign Currency Risk Sensitivity****Rs. in Mn****A change of 1% in Foreign currency would have following Impact on profit before tax**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	0.1	(0.1)	0.1	(0.1)
USD	0.6	(0.6)	0.9	(0.9)
Increase / (decrease) in profit or loss	0.7	(0.7)	1.0	(1.0)

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

### iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral security or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. However, Company creates provision much sooner wherever recoveries seems doubtful. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

### Ageing of Account receivables

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March,2020
0-3 months	139.3	127.7
3-6 months	1.2	7.9
beyond 6 months	1.1	1.5
<b>Particulars</b>	<b>141.7</b>	<b>137.1</b>

### Movement in provisions of doubtful debts

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March,2020
<b>Opening provision</b>	0.4	-
Add:- Provision made /(withdrawn)	(0.4)	0.4
<b>Closing provisions</b>	<b>-</b>	<b>0.4</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

## iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

## Financing arrangements

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Variable Borrowing - Cash Credit expires within 1 year	-	-

## Maturity patterns of borrowings

Particulars	As at 31 <sup>st</sup> March, 2021			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	18.2	27.8	-	46.0
Short term borrowings	-	-	-	-
Expected Interest payable	4.8	3.0	-	7.7
<b>Total</b>	<b>22.9</b>	<b>30.8</b>	<b>-</b>	<b>53.7</b>

Particulars	As at 31 <sup>st</sup> March, 2020			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	18.2	31.8	-	50.0
Short term borrowings	21.9	-	-	21.9
Expected Interest payable	7.6	6.7	-	14.2
<b>Total</b>	<b>47.7</b>	<b>38.5</b>	<b>-</b>	<b>86.2</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**Maturity patterns of other Financial Liabilities**

<b>As at 31<sup>st</sup> March, 2021</b>	<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>beyond 12 months</b>	<b>Total</b>
Trade Payable	75.4	-	-	-	75.4
Other Financial liabilities (Current and Non Current)	4.4	-	-	-	4.4
<b>Total</b>	<b>79.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79.8</b>

<b>As at 31<sup>st</sup> March, 2020</b>	<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>beyond 12 months</b>	<b>Total</b>
Trade Payable	93.8	-	-	-	93.8
Other Financial liabilities (Current and Non Current)	6.3	-	-	-	6.3
<b>Total</b>	<b>100.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.1</b>

**V IMPACT OF COVID-19**

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India ( On 23rd March, 2020 by the Maharashtra State Government) has declared this pandemic a health emergency, ordered temporarily close of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company fell under non-essential category, the Company shut-down its Plant at Nashik from 23 March 2020 to 14 May 2020. The Company has since, after receiving applicable permissions, commenced operations at reduced capacity level, so as to manage its cashflows and liquidity position. In assessing, inter-alia, the recoverability of trade receivables measured at amortised cost of Rs. 141.7 mn and realisation of inventories of Rs. 146.6 mn, apart from considering the internal and external information up to the date of approval of these financial statements, the Company has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**41 Fair Value measurement****Financial Instrument by category and hierarchy**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans & security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on

**Financial Assets and Liabilities as at 31<sup>st</sup> March, 2021**

Particulars	Non Current	Current	Total	Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
				Level 1	Level 2	Level 3	Total				
Other Financial Assets	5.4	0.6	6.0				-	-	6.0	-	6.0
Trade receivable	-	141.7	141.7				-	-	141.7	-	141.7
Cash and Cash equivalents	-	13.5	13.5				-	-	13.5	-	13.5
Other Bank Balance	-	193.9	193.9				-	-	193.9	-	193.9
	<b>5.4</b>	<b>349.7</b>	<b>355.1</b>	-	-	-	-	-	<b>355.1</b>	-	<b>355.1</b>
<b>Financial Liabilities</b>											
Borrowings	27.8	-	27.8	-	-	-	-	-	27.8	-	27.8
Trade Payables	-	75.4	75.4	-	-	-	-	-	75.4	-	75.4
Other Financial Liabilities	-	23.5	23.5	-	-	-	-	-	23.5	-	23.5
	<b>27.8</b>	<b>98.9</b>	<b>126.7</b>	-	-	-	-	-	<b>126.7</b>	-	<b>126.7</b>



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021**

(All amounts are in Rs. Mn, unless stated otherwise)

**Financial Assets and Liabilities as at 31<sup>st</sup> March, 2020**

Particulars	Non Current	Current	Total	Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
				Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Other Financial Assets	1.3	0.2	1.5				-	-	1.5	-	1.5
Trade receivable	-	136.8	136.8				-	-	136.8	-	136.8
Cash and Cash equivalents	-	32.7	32.7				-	-	32.7	-	32.7
Other Bank Balance	-	26.3	26.3				-	-	26.3	-	26.3
	<b>1.3</b>	<b>196.0</b>	<b>197.2</b>	-	-	-	-	-	<b>197.2</b>		<b>197.2</b>
<b>Financial Liabilities</b>											
Borrowings	31.8	21.9	53.7	-	-	-	-	-	53.7	-	53.7
Trade Payables	-	93.8	93.8	-	-	-	-	-	93.8	-	93.8
Other Financial Liabilities	-	24.5	24.5	-	-	-	-	-	24.5	-	24.5
	<b>31.8</b>	<b>140.2</b>	<b>172.0</b>	-	-	-	-	-	<b>172.0</b>		<b>172.0</b>

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Other Financial Assets	6.0	6.0	1.5	1.5
Trade receivable	141.7	141.7	136.8	136.8
Cash and Cash equivalents	13.5	13.5	32.7	32.7
Other Bank Balance	193.9	193.9	26.3	26.3
	<b>355.1</b>	<b>355.1</b>	<b>197.2</b>	<b>197.2</b>
<b>Financial Liabilities</b>				
Borrowings	27.8	27.8	53.7	53.7
Trade Payables	75.4	75.4	93.8	93.8
Other Financial Liabilities	23.5	23.5	24.5	24.5
	<b>126.7</b>	<b>126.7</b>	<b>172.0</b>	<b>172.0</b>

**Basis of Fair Valuation :**

Above financial Assets and Liabilities are given at carrying cost

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts are in Rs. Mn, unless stated otherwise)

**42 Capital risk management****The Company's objectives when managing capital are to**

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ◆ maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may reduce share capital, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a gearing ratio within the industry average. The gearing ratios were as follows:

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Net Debt	91.9	121.9
Equity	2,003.1	1,957.8
<b>Total Capital Employed</b>	<b>2,095.0</b>	<b>2,079.7</b>
Gearing Ratio	<b>4.39%</b>	<b>5.86%</b>

- 43** The Management has reassessed remaining useful life of certain assets in the block of plant and machinery with effect from 1 April 2020 on the basis of internal technical assessment supported by assessments by external experts. Depending upon the operating conditions and usability of assets, the useful life of the said assets which was hitherto 18 years have been revised to 25 years in case of processing plants. Due to this reassessment of remaining useful life, the depreciation for the year ended 31st March 2021 is lower and profit is higher by Rs. 34.9 Mn in the financial statements.

**44 Movement of borrowings:**

Particulars	As on 31 <sup>st</sup> March 2019	Cash Flow - Proceeds/ (Repayment)	As on 31 <sup>st</sup> March 2020	Cash Flow - Proceeds/ (Repayment)	As on 31 <sup>st</sup> March 2021
Short Term Borrowings	20.0	1.9	21.9	(21.9)	-
Long Term Borrowings	-	50.0	50.0	(4.0)	46.0
<b>Total</b>	<b>20.0</b>	<b>51.9</b>	<b>71.9</b>	<b>(26.0)</b>	<b>46.0</b>

- 45** The previous year's / period's figures have been re-grouped / re-arranged wherever necessary, to conform to the current period's presentation.

Signatures to Notes 1 to 45 which form an integral part of the financial statement.

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

**Sujata Chattopadhyay**  
Chairperson  
DIN:02336683  
Mumbai- 30<sup>th</sup> July, 2021

**Dhanvant Yeola**  
Executive Director  
DIN : 08325170  
Mumbai- 30<sup>th</sup> July, 2021

**Makarand Kulkarni**  
Chief Executive Officer  
Nashik- 30<sup>th</sup> July, 2021

**Chetan Gandhi**  
Chief Financial Officer  
Nashik- 30<sup>th</sup> July, 2021

**Paresh Damania**  
Company Secretary  
Mumbai- 30<sup>th</sup> July, 2021



*To,*

*If undelivered, please return to :*

***Polygenta Technologies Limited***

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Off. Western Express Highway, Andheri (East), Mumbai – 400 069